

HOUSE OF REPRESENTATIVES.

THURSDAY, October 22, 1914.

The House met at 10 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who dost guide the destiny of men and of nations, to Thee we lift up our hearts in response to the invitation in Thy written word, and in the desire of our souls we come asking that we may receive, seeking that we may find, knocking that the chambers of Thy counsels may be opened unto us, that we may fulfill our destiny as individuals and as a people. "Blessed is the nation whose God is the Lord and the people whom He hath chosen for His own inheritance." Thus may we be Thy people and magnify Thy holy name by the rectitude of our behavior. In the spirit of the Master. Amen.

The SPEAKER. The Clerk will read the Journal.

The Clerk began the reading of the Journal.

Mr. MANN. Mr. Speaker, I ask for the reading of the Journal in full.

The SPEAKER. The Clerk will read the Journal in full.

The Clerk proceeded with the reading of the Journal.

Mr. MANN. Mr. Speaker, I asked that the Journal be read in full.

The SPEAKER. The Clerk will read the Journal in full.

The Clerk proceeded with the reading of the Journal.

Mr. MANN. Mr. Speaker, I withdraw my request.

The Clerk resumed and completed the reading of the Journal.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky moves the approval of the Journal.

The question was taken, and the motion was agreed to.

EMERGENCY REVENUE LEGISLATION.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD]. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I present to the House the conference report on the revenue bill, H. R. 18891, and the statement on the part of the managers of the House, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read the statement.

The conference report is as follows:

CONFERENCE REPORT (NO. 1200).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 11, 13, 14, 15, 18, 19, 20, 22, 56, 77, and 96.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 8, 9, 12, 17, 21, 25, 26, 27, 28, 30, 32, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 47, 49, 51, 54, 55, 57, 59, 60, 61, 62, 64, 65, 67, 68, 69, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 93, 97, and 98, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 2. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than one pint, 1 cent; and on each bottle containing more than one pint and not more than one quart, 2 cents; and on still wines in all other containers, not herein specially provided for, the tax shall be at the rate of 8 cents per gallon.

"That upon all domestic and imported champagne and other sparkling wines, and upon all artificially carbonated wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 5 cents; on each bottle containing more than one-half pint and not more than one pint, 10 cents; on each bottle containing more than one pint and not more than

one quart, 20 cents; and on all other containers at the rate of 20 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than one pint, 3 cents; more than one pint and not more than one quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

"All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials, or similar compounds are sold or offered for sale: *Provided*, That when such still wines, champagne wines, carbonated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling, or offering the same for sale or consumption to any person other than a dealer, shall affix thereto the stamps hereinbefore prescribed: *And provided further*, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any liqueur, cordial, or compound subject to any internal-revenue tax imposed by this Act.

"The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be prima facie evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials, or compounds shall be forfeited to the United States.

"There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff act of October 1, 1890, relating to the fortification of pure sweet wines, as amended, and as further amended by this act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: *Provided, however*, That the maker or producer of such fortified wines shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the preceding month, which assessment shall be paid within 90 days from the date of notice thereof: *Provided further*, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

"The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

"That sections 42, 43, 45, 46, and 49 of the act of October 1, 1890, as amended by section 68 of an act approved August 28, 1894, and by an act approved June 7, 1906, are further amended to read as follows:

"SEC. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this act: *Provided*, That such wine containing after fortification more than 24 per cent of alcohol, as defined by section 3249 of the Revised Statutes, shall be forfeited to the United States.

"SEC. 43. That the wine spirits mentioned in section 42 of this act is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues, commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified

with wine spirits under the provisions of this act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification provided in this act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar, or pure dextrose sugar so used shall not be in excess of 11 per centum of the weight of the wine to be fortified under this act: *And provided further*, That the addition of water herein authorized shall be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this act, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per centum of their volume.

"Sec. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than 80 wine-gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

"Sec. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of foreign markets, when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal

and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: *Provided*, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per cent thereof.

"Sec. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: *Provided*, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such wine shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: *Provided*, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above 14 per centum thereof.

"That section 3 and section 6 of the act of June 7, 1906, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

"Sec. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed \$5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed \$2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid act of October 1, 1890, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

"Sec. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid act approved October 1, 1890, and amendments thereto, any brandy or

wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this act, such grape brandy, fortified wines or wine spirits unlawfully recovered therefrom, shall, on conviction, be punished for each such offense by a fine of not less than \$200 nor more than \$1,000. But the provisions of this section and the provisions of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this act with each other or with other wines: *Provided*, That the pure sweet wines fortified under the provisions of this act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section 3244 of the Revised Statutes of the United States shall remain in full force and effect."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the numeral "50" and inserting in lieu thereof the numeral "30"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "where a charge for admission is made, having a seating capacity of not more than 250, shall pay \$25; having a seating capacity of more than 250 and not exceeding 500, shall pay \$50; having a seating capacity exceeding 500 and not exceeding 800, shall pay \$75; having a seating capacity of more than 800, shall pay \$100"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Tenth. Commission merchants shall pay \$20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: *Provided*, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: *Provided further*, That this provision shall not apply to commission houses run upon a cooperative plan."

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "from" and inserting in lieu thereof the word "on"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out "\$600" and insert in lieu thereof "\$200"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: After the last paragraph of the matter inserted by said amendment insert the following:

"In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, striking out the word "November" and inserting in lieu thereof the word "December"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Strike out the numeral "11" and insert in lieu thereof the numeral "10"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Strike out the numeral "12" and insert in lieu thereof the numeral "11"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Strike out the numeral "13" and insert in lieu thereof the numeral "12"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Strike out the numeral "14" and insert in lieu thereof the numeral "13"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: Strike out the numeral "15" and insert in lieu thereof the numeral "14"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: Strike out the numeral "16" and insert in lieu thereof the numeral "15"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with amendments as follows: In line 1 of the matter inserted by said amendment strike out the numeral "18" and insert in lieu thereof the numeral "17." In lines 1 and 2 of the matter inserted by said amendment strike out the words "thirty days after the approval of this act" and insert in lieu thereof the words "on and after December first, nineteen hundred and fourteen"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: Strike out the numeral "23" and insert in lieu thereof the numeral "22"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on and after the 1st day of December, 1914"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment, strike out the words "sender of" and insert in lieu thereof the words "person paying for." In line 10 of the matter inserted by said amendment strike out the words "the originator of the"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof a colon and the words "*Provided*, That policies of re-insurance shall be exempt from the tax herein imposed by this paragraph."

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with amendments as follows: In line 9 of the matter inserted by said amendment, after the word "applied," where it first occurs, strike out the comma and the words "or to be used or applied" and in the same line, after the word "perfumes," strike out the comma. In lines 9, 10, and 11 of the matter inserted by said amendment strike out the words "applications to the hair, mouth, or skin, or otherwise used, made, prepared" and insert in lieu thereof the word

"cosmetics." In lines 36, 37, 38, and 39 of the matter inserted by said amendment, beginning with the word "Sparkling," in line 36, strike out all down to and including the word "cents" in line 39. In line 42 of the matter inserted by said amendment strike out the words "30 days" and insert in lieu thereof the words "on and". In lines 42 and 43 of the matter inserted by said amendment strike out the words "the approval of this Act," and insert in lieu thereof the words "December 1, 1914"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Strike out the numeral "24" and insert in lieu thereof the numeral "23"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$200,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; \$170,000 to be added to and made a part of the appropriations for salaries and expenses of collection of internal revenue, 1915; and \$30,000 to the appropriation for paper for internal revenue stamps, 1915."; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Strike out the numeral "25" and insert in lieu thereof the numeral "24"; and the Senate agree to the same.

That in the enrollment of the bill the sections thereof be numbered in consecutive order.

O. W. UNDERWOOD,
CLAUDE KITCHIN,
Managers on the part of the House.
F. M. SIMMONS,
WM. J. STONE,
JOHN SHARP WILLIAMS,
Managers on the part of the Senate.

The statement was read, as follows:

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House increased the tax of \$1 on fermented liquors to \$1.50 per barrel. The Senate increased the tax to \$1.75 per barrel, and the Senate recedes.

Amendment No. 2: The Senate provided a discount upon the sales of stamps to brewers, and recedes from this amendment.

Amendment No. 3: The Senate provided a tax of 5 cents upon rectified whisky, and recedes from its amendment.

Amendment No. 4: The House provided a tax on the producers of wine. The Senate struck out this provision, and the House agrees.

Amendment No. 5: The Senate shifted the tax proposed by the House upon the producers of wine to the dealer in wines receiving and selling or offering for sale or consumption to any person other than a dealer. The House agrees to the amendment with certain minor changes. The provision as amended places a tax on still wines of 8 cents per gallon; on champagne and other sparkling wines and all artificial carbonated wines, of 20 cents per quart; and on cordials, liqueurs, and similar compounds, of 24 cents per gallon. This amendment removes certain restrictions now imposed upon the manufacturer of wine spirits to be used in fortifying pure sweet wines. It also imposes a tax of 55 cents per gallon upon grape brandy or wine spirits in lieu of the charge of 3 cents per gallon now imposed.

Amendment No. 6: The House bill taxed gasoline 2 cents per gallon. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 7: The Senate struck out the House provision that the special-tax provisions should become effective November 1, 1914, and the Senate recedes.

Amendment No. 8: The House provided a tax of \$2 for each \$1,000 of capital and surplus used or employed by bankers. The Senate lowered the tax to \$1, and the House agrees.

Amendment No. 9: This amendment exempts postal savings banks from the payment of the tax upon bankers, and the House agrees.

Amendment No. 10: The House bill taxes brokers \$50. The Senate struck out this tax. The House provision is restored with an amendment fixing the tax at \$30.

Amendment No. 11: This amendment relates to a change in paragraph number, and the Senate recedes.

Amendment No. 12: The House placed a tax of \$20 upon pawnbrokers. The Senate increased this tax to \$50, and the House agrees to the tax of \$50.

Amendment Nos. 13, 14, and 15 relate to changes in paragraph numbers, and the Senate recedes.

Amendment No. 16: The House placed a tax of \$100 upon all proprietors of theaters, museums, and concert halls in cities having more than 15,000 population. The Senate changed this tax to a graduated tax according to seating capacity, and the House agrees with the following amendment: "Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250 shall pay \$25; having a seating capacity of more than 250 and not exceeding 500 shall pay \$50; having a seating capacity exceeding 500 and not exceeding 800 shall pay \$75; having a seating capacity of more than 800 shall pay \$100."

Amendment No. 17: This amendment exempts armories rented or used occasionally for concerts or theatrical representations from the taxes levied on theaters, museums, and concert halls, and the House agrees.

Amendment No. 18: The House bill provided that whenever any theater was under lease at the passage of the act, the lessee should pay the tax. The Senate bill provided that whenever any theater was under lease when this act takes effect, the lessee should pay the tax; and the Senate recedes.

Amendment Nos. 19 and 20: These amendments merely relate to changes in paragraph numbers; and the Senate recedes.

Amendment No. 21: This amendment exempts Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations; and the House agrees.

Amendment No. 22: This amendment merely relates to change in the paragraph number; and the Senate recedes.

Amendment No. 23: The Senate amendment placed a tax of \$20 on commission merchants. The House agrees to the Senate amendment with an amendment providing that any person paying the special tax as a commercial broker will not be required to pay this tax.

Amendment No. 24: The House provided that the special taxes on tobacco dealers and manufacturers should take effect on November 1, 1914. The Senate provided that they should go into effect immediately after the passage of the act. The Senate recedes from its amendment.

Amendment Nos. 25, 26, 27, and 28: The House bill taxes the annual sales of leaf tobacco. The Senate bill taxes the annual sales or transfers of leaf tobacco, and the House agrees to the Senate amendments.

Amendment No. 29: The Senate amended the tax on tobacco dealers not specially provided for by exempting dealers whose annual receipts from the sale of tobacco do not exceed \$600. The House agrees to this amendment with an amendment limiting the exemption to \$200.

Amendment No. 30: This amendment provides that the \$4.80 tax shall be levied for each store, shop, or place in which tobacco in any form is sold; and the House agrees.

Amendment No. 31: The House bill provided a tax upon manufacturers of tobacco and cigars, ranging from \$12 to \$24, and a tax on manufacturers of cigarettes of \$24. The Senate amended this provision, placing a graduated tax upon manufacturers of tobacco, cigars, and cigarettes ranging from \$6 to \$24.96, according to the quantity of tobacco, cigars, or cigarettes sold; and the House agrees to the Senate amendment with an amendment as follows: "In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

Amendment No. 32: This amendment provides that the special taxes imposed by this act and payable during the special-tax year ending June 30, 1916, shall be collected and paid proportionately for the period during which such taxes shall remain in force during said year; and the House agrees.

Amendment No. 33: The House bill provided that the taxes imposed in Schedule A of this act should go into effect on November 1, 1914. The Senate amended it so that these taxes should be levied immediately after the passage of this act. The conferees placed the date of effectiveness at December 1, 1914.

Amendment No. 34: This amendment is made necessary by reason of the adoption of Schedule B into the act; and the House agrees to the amendment.

Amendment No. 35: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts; and the House, therefore, agrees to the Senate amendment.

Amendment No. 36: This amendment provides the method by which the stamps required to be affixed on the articles enumerated in Schedule B shall be canceled, to which the House agrees.

Amendment Nos. 37, 38, and 39: These amendments are merely clerical changes, and the House agrees.

Amendment No. 40: This amendment provides for the proper numbering of this section, the House agreeing to the same.

Amendment No. 41: This amendment is merely a change in phraseology, and the House agrees.

Amendment No. 42: The Senate amendment requires each designated depository to furnish a bond as well as each collector, and the House agrees.

Amendment Nos. 43, 44, and 45: These amendments are merely clerical changes, and the House agrees.

Amendment No. 46: This amendment provides for the proper numbering of this section, to which the House agrees.

Amendment No. 47: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 48: This amendment merely provides for the proper numbering of a section, to which the House agrees.

Amendment No. 49: This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 50: This amendment merely provides for the renumbering of a section, to which the House agrees.

Amendment No. 51: This amendment eliminates the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment Nos. 52 and 53: These amendments merely provide for the renumbering of sections, to which the House agrees.

Amendment Nos. 54 and 55: The House amendment exempted the stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed \$10,000. The Senate amendments exempt the stock and bonds issued by all cooperative building and loan associations and of mutual ditch or irrigating companies, and the House agrees to the Senate amendments.

Amendment No. 56: It is believed the Senate amendment would exempt cooperative building and loan associations and mutual ditch or irrigation companies from the payment of all of the taxes provided in this act, and the Senate recedes.

Amendment No. 57: This amendment relates to the administration of Schedule B of the act, and the House agrees.

Amendment No. 58: This amendment relates to the penalty for violation of the provisions of Schedule B of this act, and the House agrees with an amendment making the penalties effective on and after December 1, 1914.

Amendment Nos. 59, 60, 61, 62, and 63: These amendments relate to the section numbers of the act, and the House agrees with amendments making the numbers 18, 19, 20, 21, and 22 in lieu of 19, 20, 21, 22, and 23.

Amendment No. 64: This amendment provides that the Commissioner of Internal Revenue shall cause the necessary stamps to be distributed as well as prepared, and the House agrees.

Amendment No. 65: This amendment becomes necessary because of the addition of Schedule B to the act, and the House agrees.

Amendment No. 66: The House provided that the tax should be levied on bonds, debentures, or certificates of indebtedness issued after November 1, 1914. The Senate amendment struck out November 1, 1914, and levied the tax on all bonds, etc., issued 30 days after the approval of this act, and the House agrees with an amendment making the date December 1, 1914.

Amendment No. 67: This amendment provides that it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited, and the House agrees.

Amendment No. 68: This amendment limits agreements of sale, etc., to those for future delivery; and the House agrees.

Amendment No. 69: This amendment exempts the tax upon express and freight in all cases where a charge not exceeding 5 cents is made for transportation; and the House agrees.

Amendment No. 70: The bill as it came from the House had the same provision with respect to the use of bills of lading for bundles of newspapers as did the act of 1898, but since 1898 there has been quite a change in the manner of the distribution of papers, due in large part to the growth in the interurban railway system. Time has increasingly become the essence of the situation in the distribution of afternoon daily papers. The issuing of a bill of lading for each bundle would become vexatious and burdensome. This amendment provides that the publisher of the newspaper in lieu of the stamped bill of lading is to make a return under oath on the 15th of each month of the general bundles shipped during the preceding month, to which return he is required to attach a 1-cent stamp for each bundle so reported. Instead of the stamp on the bill of lading, he makes his return and puts on as many stamps as there are bundles shipped; and the House agrees to the Senate amendment.

Amendment No. 71: This amendment strikes out the House provision that "no bill of lading, manifest, or other memorandum shall be used in evidence unless it shall be duly stamped," because the Federal Government has no right to say what will be evidence in a State court, and the House agrees to the amendment.

Amendment No. 72: The House bill required the telephone or telegraph company to pay the tax imposed. The Senate committee recommends that the sender be required to pay it, and they recommend that this tax be collected by the telegraph and telephone companies, and at the end of each month they make a sworn statement to the Commissioner of Internal Revenue, and the taxes be settled upon the basis of that statement, and the House agrees to the Senate amendment.

Amendment No. 73: This amendment limits the tax upon conveyances to only the real interest conveyed, and the House agrees to the amendment.

Amendment No. 74: This amendment provides that nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt, and the House agrees.

Amendment No. 75: The House bill proposed a tax on life insurance for each \$100 or fractional part thereof of 8 cents on the amount insured. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 76: This amendment is merely a clerical change, and the House agrees.

Amendment No. 77: This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the Senate recedes.

Amendment No. 78: This amendment exempts cooperative or mutual associations carrying on business not for profit, and the House agrees.

Amendment No. 79: This amendment provides that policies of reinsurance shall be exempt from the marine, inland, and fire insurance tax, and the House agrees.

Amendment Nos. 80 and 81: These amendments merely relate to clerical changes, and the House agrees.

Amendment No. 82: This amendment exempts life, personal accident, and health insurance, etc., policies from the tax, and the House agrees.

Amendment No. 83: This amendment makes liability insurance companies subject to the tax upon liability, fidelity, and guaranty insurance, and the House recedes.

Amendment No. 84: This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the House agrees to this amendment with an amendment striking out all of the matter inserted by the amendment except the provision exempting policies of reinsurance.

Amendment No. 85: The House bill taxes mortgages, etc.; the Senate struck out the House provision, and the House agrees to the Senate amendment.

Amendment No. 86: This amendment provides that the tax on passage tickets shall be paid when purchased in the United States, regardless of the port from which the vessel is to sail, and the House agrees.

Amendment Nos. 87 and 88: These amendments are necessary to make effective amendment No. 86, providing that the passage-ticket tax shall be collected when the ticket is sold in the United States, although the vessel may sail from a port in another country, and the House agrees.

Amendment No. 89: This amendment exempts passage tickets costing less than \$10, to which the House agrees.

Amendment No. 90: This amendment reduces the tax on parlor-car seats and sleeping-car berths from 2 cents to 1 cent, and the House agrees.

Amendment No. 91: This amendment reenacts the provisions of the war-revenue act of 1898 pertaining to perfumery, cosmetics, and chewing gum, with sundry minor amendments, and the House agrees.

Amendment No. 92: This amendment provides for the renumbering of a section, and the House agrees.

Amendment No. 93: This amendment provides that any person liable to tax under the provisions of this act shall keep such records and comply with such regulations as may be issued by the Commissioner of Internal Revenue. It further provides a penalty for the violation of any of the provisions of this act, and the House agrees.

Amendment No. 94: This amendment appropriates money with which to carry out the provisions of this act. The House appropriated \$130,000 and the Senate appropriated \$492,000. The conference fixed the sum at \$200,000.

Amendment No. 95: This amendment merely provides for the renumbering of the section, and the House agrees.

Amendment No. 96: The House provided that the act, unless otherwise specified, should take effect on the date following its passage. The Senate provided that it should become effective 30 days after its passage. The conferees adopted the House provision.

Amendment No. 97: This amendment provides that the taxes levied under this act shall become inoperative on the 31st day of December, 1915, and the House agrees.

Amendment No. 98: This amendment provides that the provisions of the law now in effect with regard to fermented liquors shall be in full force on and after the 1st of January, 1916, and the House agrees.

O. W. UNDERWOOD,
CLAUDE KITCHIN,

Managers on the part of the House.

Mr. UNDERWOOD. Mr. Speaker, it is my desire to have the conference report acted on as speedily as possible, and, if agreeable to the gentleman from New York [Mr. PAYNE], I would like to move the previous question at the end of my hour and give him half of that time, if that is satisfactory to him.

Mr. PAYNE. I think that will be satisfactory.

Mr. UNDERWOOD. Then, Mr. Speaker, I will make a short statement of the changes in the bill and then yield to the gentleman from New York.

Mr. Speaker, the bill as it left the House carried approximately \$105,000,000 of revenue. The bill as it came back from the Senate, according to the Senate's estimates, carried \$107,000,000. The bill as reported by the conferees carries \$90,000,000. The original estimate of the President of the United States as to the revenue desired was \$100,000,000. The conferees found it almost impossible, at least the conferees of the majority party, to agree on certain items. We realized that the Members of the House and the Senate were very anxious to go home. We realized that on some items it would have brought about a disagreement and a report back to the House and further delay unless certain items went out of the bill. We consulted with the President of the United States as to the situation. He realized the patience of the Members of the House and the Senate and the importance of their return home, and he stated that he thought that the present emergency could be met by a bill carrying \$90,000,000. Therefore we agreed to this reduction. The first disagreement between the Houses related to beer. The House reported a bill increasing the tax on beer 50 cents, making the total tax \$1.50. The Senate increased it to \$1.75, and made a rebate of 5 per cent to the brewers where they paid taxes under certain conditions. The difference between the two Houses in the amount of reduction on that item would have amounted to about \$10,000,000. The Senate receded on its amendment, and the conference report agrees to the House bill. The next item of importance was the paragraph relating to wines. The House levied a tax of 20 cents a gallon on sweet wines and 12 cents on dry wines, to be collected from the manufacturer or producer at the time that they were removed for consumption and sale. The Senate levied a tax that amounts to about 8 cents a gallon, a tax on wine in the bottle or container, and further levied a tax of 55 cents a gallon on grape brandy used to fortify sweet wines. With some minor amendments the House agreed to the Senate amendment. The most material of those amendments related to the tax on domestic champagne.

Mr. SHERWOOD. Is this tax on wine to be permanent or temporary?

Mr. UNDERWOOD. The whole bill will go out of existence on the 1st day of January, 1916.

Mr. STAFFORD. Will the gentleman kindly inform the House when these respective provisions of the bill go into effect?

Mr. UNDERWOOD. The last provision I will state to the gentleman, if he will permit me, when we come to it. Amendment No. 6 related to gasoline. The House bill levied a tax of 2 cents a gallon on gasoline, and the Senate struck that provision out of the bill. On this amendment the House agreed to the Senate amendment, and the entire provision has gone out of the bill.

Mr. BORLAND. Will the gentleman state whether there was any substitute made for that tax? Is there anything put in in lieu of it? What became of the automobile tax?

Mr. UNDERWOOD. There was no automobile tax in conference.

Mr. BORLAND. That was only a proposal?

Mr. UNDERWOOD. Only a proposal in the Senate. Under the special taxes the Senate reduced the tax on bankers from \$2 to \$1, and the House agreed to the Senate amendment. There were some minor changes in relation to the other taxes under these special taxes, but no material changes. Under the special taxes on tobacco dealers and manufacturers the highest tax levied by the House bill was \$24.

The Senate made a gradual increase of these taxes on manufacturers up to \$2,496 in proportion to the amount of tobacco they manufactured, and the House agreed to the Senate amendment.

Under the provisions in reference to adhesive stamps, under Schedules A and B, some minor changes were made in the text of the bill, but none of very great importance. In Schedule A, the important changes made in conference, the House bill provided for a tax on telephone and telegraph messages, to be paid by the corporation. The Senate changed the amendment and provided that the tax should be paid by the sender of the message, and the House finally concurred in the Senate amendment. The Senate struck out of the bill the tax levied by the House upon life insurance policies, and the House agreed to that amendment.

Mr. MOORE. That gets rid of the question of mutual life insurance companies, does it not?

Mr. UNDERWOOD. The whole provision goes out.

Mr. MOORE. There was some ambiguity about it before, because the bill pertained only to fire insurance policies.

Mr. UNDERWOOD. As the bill is presented to the House there is no tax—

Mr. MOORE. No tax on mutual life insurance?

Mr. UNDERWOOD. No.

Mr. MOORE. May I ask the gentleman while we are on this question, whether it is not also provided in the bill now that mutual building and loan associations are also exempt from the provisions of the act?

Mr. UNDERWOOD. They are.

Mr. MANN. As I understand the conference report, there is a tax of one-half cent on each dollar of policy on guaranteed insurance, surety bonds, and so forth?

Mr. UNDERWOOD. Yes. There is no change in the amount. There was a slight amendment made in reference to those policies by providing that the tax should not apply to reinsurance. That is the only change.

Mr. MANN. I notice the change in the Senate amendment exempted certain personal insurance, personal health and personal accident.

Mr. UNDERWOOD. That was agreed to.

Mr. MANN. You made the change there, but the surety bonds are not exempt?

Mr. UNDERWOOD. No. The House levied a tax on mortgages, and the Senate struck the provision out of the bill. The conferees agreed to the Senate amendment.

Mr. MANN. Will the gentleman yield for one question?

Mr. UNDERWOOD. I will yield.

Mr. MANN. As I understand from the conference report on practically all of Schedule A, the tax goes into effect on December 1, except where it is specifically provided otherwise in Schedule A?

Mr. UNDERWOOD. All of Schedule A goes in on December 1, but there is a certain portion of the bill, like the tax on beer and wine, that goes into effect on the day after the passage of the bill.

Mr. SAMUEL W. SMITH. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. SAMUEL W. SMITH. Why was that distinction made?

Mr. UNDERWOOD. Because Schedule A was a stamp tax, and it would take that length of time, so the Treasury Department said, to be prepared to levy the tax.

On Schedule B—

Mr. BARTLETT. May I ask the gentleman a question?

Mr. UNDERWOOD. Certainly.

Mr. BARTLETT. The gentleman states the House provided for stamp tax on mortgages?

Mr. UNDERWOOD. The House bill did.

Mr. BARTLETT. And the Senate struck that out, and the Senate also included a provision that instruments to secure debts were not to be taxed, did they not?

Mr. UNDERWOOD. I will have to look that up. I have not the papers in my hand.

Mr. BARTLETT. I wanted to ask the gentleman this question: The mortgages are exempt, regardless of the amount they secure, are they?

Mr. UNDERWOOD. There is no tax on mortgages at all. The Senate inserted Schedule B in this bill, that provides for the tax on perfumery, cosmetics, and other similar articles, and the House agreed to the Senate amendment.

Mr. EDWARDS. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. EDWARDS. What was done with the proprietary medicine tax?

Mr. UNDERWOOD. That was stricken out of the bill before the Senate passed it.

Mr. EDWARDS. It was not included at all?

Mr. UNDERWOOD. It is not included in here. There were no proprietary or patent medicines included in this bill.

Mr. BARTLETT. May I say to the gentleman that I think amendment numbered 74 answers the question I asked? It says:

This amendment provides that nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt, and the House agrees.

Mr. UNDERWOOD. Yes. I could not just refer to it at the moment. The only other important amendment in the bill is this provision. When the House passed this law it left the taxes in the bill permanent, except the taxes under Schedule A. The House struck that out and provided that the taxes under this bill should expire at the time which the House had provided for the expiration of the taxes under Schedule A; that is, the day after the 31st of December, 1915; in other words, the 1st of January, 1916, the House bill provided that the taxes under Schedule A should expire. The Senate enlarged that provision so as to provide that all of the taxes levied under this bill should expire on that date.

I wish to say to the House, to be candid, that I do not think the results of the European war will be over by that date or that the revenues at the customhouse will be restored by that time. But this bill was intended as an emergency measure. It gives the Government the opportunity within the 13 months of its existence to reenact other legislation or to reduce expenditures, or to adjust itself in some way to the falling off of the revenues at the customhouse. And the House conferees agreed to the Senate amendment, and this bill will expire in all its provisions on the 1st day of January, 1916.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills and resolutions of the following titles, in which the concurrence of the House of Representatives was requested:

S. 6202. An act to amend an act, entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and to extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes";

S. 4738. An act for the relief of Frances L. Snell;

S. 3509. An act for the relief of Orion Mathews;

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session;

S. 6497. An act for the relief of Lloyd C. Stark;

S. 6384. An act to authorize the acceptance of certain lands by the United States for a military park reservation, and for other purposes;

S. 2335. An act to provide for the register and enrollment of vessels built in foreign countries when such vessels have been wrecked on the coasts of the United States or her possessions or adjacent waters and salvaged by American citizens and repaired in American shipyards;

S. 6011. An act to reinstate Frederick J. Birkett as third lieutenant in the United States Revenue-Cutter Service;

S. 6152. An act for the relief of Joseph Gorman;

S. J. Res. 177. Joint resolution to transfer to the custody and possession of the Attorney General sealskins;

S. 1373. An act for the relief of the estate of John Stewart, deceased;

S. 5495. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls;

S. 1991. An act correcting the military record of Abram H. Johnson;

S. 583. An act incorporating the American Academy of Arts and Letters; and

Senate concurrent resolution 33.

Whereas about 500,000 tons of cottonseed meal and cake have heretofore been annually exported from the United States; and Whereas by reason of war conditions this surplus is without a market abroad, the surplus equaling about one-third of the total output; and Whereas the dumping of this surplus on existing domestic markets will depress the price of this article both as to raw material and finished product to such an extent as to cause disastrous losses to farmers producing the raw material: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Secretary of Agriculture and the Secretary of Commerce are hereby authorized and requested immediately to investigate the possibility of wider domestic markets for these products, especially in the northwest, northern, and northeast sections of the United States, and to report to Congress at the earliest practicable date a plan for acquainting these sections with the value and availability of these products as a feed for domestic animals, and for the marketing in these sections of the surplus of these products heretofore exported.

The message also announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 6939. An act to reimburse Edward B. Kelley for moneys expended while superintendent of the Rosebud Indian Agency in South Dakota;

H. R. 13698. An act to correct the military record of Charles A. Coulson.

EMERGENCY REVENUE LEGISLATION.

Mr. LEVY. Mr. Speaker, will my colleague yield to me for a question?

Mr. UNDERWOOD. I will.

Mr. LEVY. Was there any change made as to real estate conveyances and only taxing equities?

Mr. UNDERWOOD. Yes; the House agreed to the Senate amendment.

Mr. SAMUEL W. SMITH. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. SAMUEL W. SMITH. Is it the gentleman's opinion that this bill will raise \$90,000,000?

Mr. UNDERWOOD. Well, I think it will raise practically sufficient revenue to meet the falling off at the customhouses. The original estimate was \$100,000,000. This bill will approximate the falling off of the revenue at the customhouses, and within the year, if it is necessary, either by the reduction of expenditures or by the passage of other legislation, the Congress can take care of this situation. This bill is intended as an emergency measure to meet the acute situation that we are facing now.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. STAFFORD. Will the gentleman kindly explain, as I requested before, when the various provisions of this act will take effect?

Mr. UNDERWOOD. Well, the provisions in reference to beer and wine will take effect on the day after the passage of the bill. The special taxes on bankers and brokers and theaters will take effect on November 1, 1914, and also the special tax on tobacco dealers on that date; but the stamp taxes under Schedules A and B will not take effect until December 1.

Mr. SMALL. Mr. Speaker, may I ask the gentleman a question?

Mr. UNDERWOOD. Yes.

Mr. SMALL. Are bonds issued by mutual drainage or ditch or irrigation societies exempted under this bill?

Mr. UNDERWOOD. Yes; the House agreed to the Senate amendments.

Mr. STAFFORD. The tobacco taxes will take effect on December 1?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. In the matter of taxes upon theaters and places of public amusement and entertainment the Senate made certain amendments on a graduated scale, determined by the seating capacity of the various places, as I understand it?

Mr. UNDERWOOD. Yes.

Mr. BARTLETT. And also exempted Chautauquas and lecture associations and things of that sort, which will include the large Chautauquas which get large sums of money and are

conducted as matters of business and not so much as matters of education. You know there are associations formed all over the country that make large sums of money and pay large amounts of money to lecturers who are secured, and although they do a great deal of good in reference to education, it is chiefly as a matter of business to those who engage in it.

Mr. UNDERWOOD. I will say to the gentleman that the Chautauqua associations were not taxed in the House bill. They thought they were taxed, and under that impression they raised a lot of trouble, thinking they were taxed.

Mr. BARTLETT. As did the beer and whisky people and other people.

Mr. UNDERWOOD. The bill did not tax the associations. The theaters were taxed, but the associations or the people performing in the theaters or holding lectures or amusements were not taxed. It was the theaters that were taxed.

Mr. BARTLETT. One other question and then I will be through. The Senate reported an amendment which taxed tobacco dealers a certain amount regardless of sales, and they taxed the place of the sales. As I understand it, the House has agreed to an amendment which fixes the amount of taxes in accordance with the amount of tobacco sold. A small tobacco dealer, selling less than \$600 worth, I think, is exempted?

Mr. UNDERWOOD. The conferees agreed upon \$200 as the limit of exemption.

Mr. BARTLETT. I am glad that is so. That does not tax the little fellow in the country who does not sell more than \$200 worth in a year.

Mr. UNDERWOOD. No. Now I yield, Mr. Speaker, to the gentleman from New York [Mr. PAYNE].

The SPEAKER. The gentleman from New York [Mr. PAYNE] is recognized.

Mr. PAYNE. Mr. Speaker, I will ask the Chair to notify me after I have consumed 15 minutes.

Mr. Speaker, I congratulate the House conferees—that is, those of them who were present at the conference; I did not have that distinguished honor—on their great victory on the subject of beer. [Laughter on the Republican side.] I think the concession on beer was about the only victory they achieved. Generally, otherwise they surrendered to the Senate.

The House provision on beer was \$1.50 a barrel. The Senate made it \$1.75, and in the print of the House bill which we had here and which was acted upon in the House a rebate was put on in the Senate of 7½ per cent after the brewer had paid the taxes, which made the net tax on beer about \$1.61 per barrel instead of \$1.50 as provided in the House bill; so that the House conferees' victory amounts to about 11 cents a barrel.

Of course, you can calculate how much difference in the amount of foam that will make in a glass of beer when you get the number of glasses of beer there are in a barrel. I do not think the ultimate consumer is going to get very much benefit out of that, and that much revenue on beer will be lost.

The Senate amended the tax upon wine and upon sweet wines and changed a provision in the law which had been in operation for a great many years, and which was put there after great deliberation and long hearings, where the committee went into the wine business in every section of the country, allowing brandy spirits used as a preservative of sweet wines to be used at an internal-revenue tax of 3 cents instead of \$1.10, as would have to be paid on such spirits under ordinary circumstances. This equalized somewhat the conditions for the production of wines in different sections of the country. In California the grapes are sweet enough to distill this brandy from the grape for a preservative of their sweet wines. In New York and other Middle States they are not sweet enough and they have to be fortified with brandy purchased. In New York that brandy is purchased from the manufacturers in California. I think in the State of Ohio the wines are fortified with spirits of brandy made from the refuse of the wine vats mingled with sugar and fermented in that shape, so that it does not make so much difference with them. This provision which they have put into this bill comes particularly hard on the sweet-wine producer in the State of New York. In the endeavor to do something for California—and when we consider what they did to California in their tariff bill, perhaps they ought to let up just a little on the wine industry in that respect—they put a tax of 55 cents a gallon on grape brandy used in fortifying wines by a new provision in the Senate bill, which the House retained.

But the joke of the thing is that, while this provision goes into effect at once, it does not affect this year's production of sweet wines in California. The sweet wines there are already manufactured, are all fortified, and they were fortified with free spirits. In other words, they do not pay any of this 55 cents a gallon on the brandy used in their wine product for

this year in the State of California. And then, looking after the interests of California—for I can not see any other reason for it—they changed the general provision of the bill, and the whole thing expires on the day following the 31st day of December, 1915. Inasmuch as they do not manufacture sweet wines in California in the meantime, this 55 cents a gallon does not affect those people over there at all. I congratulate the people of California on this little recognition of the State. Perhaps this committee in the Senate have heard of the revolution in political feeling in the State of California that is about to make itself manifest a week from Tuesday next.

Well, the people in the State of New York have to pay this 55 cents a gallon, as against the free spirits in California. We do not commence to manufacture in New York for some time yet. We have got to fortify all of our product. Of course it simply means the wiping out of the business for the present in the State of New York, until some time in the future—I hope not very far away—when we shall get more equitable legislation and better legislation that will not be destroying business here and there and often by the wholesale in different parts of the United States. But as it stands to-day the proposition is utterly defenseless. Why did they change this date to the 31st day of December, 1915, instead of making it permanent law? I heard the explanation of the chairman of the committee, but it did not seem to explain. Why change this date? Have they forgotten that on the 1st day of May, 1916, the sugar proposition goes into effect, and after that not a penny will be collected on the imports of sugar, while now, even under the reduction made on the 1st of March last, we collect over \$40,000,000 per annum? That hole is to be made in the revenue commencing with the 1st day of May, 1916, and they come in here with a bill to bolster up the revenue under that tariff bill and patch it up and try to make up for the deficit that stares them in the face, war or no war, and really if we were without war during the coming year; and then, for some reason or other, they cut out of this bill after the 31st day of January, 1916, the revenue under this bill, having already cut out \$40,000,000 of sugar revenue after the 1st day of May, 1916. Why, with all the chapters of bungles that we have had for the last 18 months, it seems that this caps the climax in bad Democratic legislation. [Applause on the Republican side.]

They have restored Schedule B and put a tax on medicines, cosmetics, and things of that kind. They copied the revenue bill of 1898, when we had a war. I see that they have impudently put on the first page of this print the words "War-revenue bill." Why print this falsehood in the proceedings of Congress? It is not a war-revenue bill. We have no war. They are boasting that we have no war. They claim it as a part of the credit due the Wilson administration that we have no foreign war. I would like to have some gentleman get up in his place and tell me where there has been any opportunity to get into a foreign war, except by some criminal act on the part of the administration or of the people of the United States since this war commenced on the 1st day of August. They say this is a war-revenue bill. Oh, no. Why are they not honest? Why do they not admit that their Underwood revenue bill is a failure and that we need to put this in operation to meet the failure in revenue because of their tariff bill? [Applause on the Republican side.]

Now, they are going to have a nice time putting these stamps on proprietary articles sold in drug stores. They have a provision that on the 1st day of December, when it goes into effect, every druggist in the United States, big or little, is bound to put a stamp on every article taxed under this bill. You put it off until the 1st day of December. If you had made it applicable now, there is not a druggist in the United States who would have voted your ticket, no matter how much dyed-in-the-wool Democrat he might have been. They will not all of them forget it, either. Why put them to all this trouble just for one year. You assume that it will bring a million or two dollars of revenue. Why do it? If it was intended to be permanent, as you intended in the first place, that would be another question; but why put these people to all that trouble and expense just to collect this pitiful sum for the period of one year? Druggists are pretty well taxed now; anywhere from 400 to 1,000 per cent on alcohol. And how about the people who make gum? We put a duty of 10 cents per pound on chicle, the raw material. They have doubled it and made it 20 cents, and the manufacturers have got to pay that. They put a tax of a cent a package on chewing gum. What will the girls and boys do for chewing gum if you raise the price in that way? The retailers can not sell it for 5 cents a package, or if they do they will have to cut down the chew, and it will take twice as much money to buy a package of gum. These conferees that you sent over to the Senate to disagree to that amendment have agreed to it, and agreed to

the amendment that will limit the life of the bill to the 31st day of December of next year. I do not think those conferees have served you very well. I am glad they did not call me into conference, because I would have felt it my duty to talk from now until next December, if they would listen to me, unless they took some of these miserable things out of this bill. Why limit the time to the 31st of December? I hope some gentleman will answer that. The chairman of the committee did not, but I do not believe the chairman of the committee was in favor of it.

Mr. FITZGERALD. Will the gentleman yield for a question? Mr. PAYNE. Certainly.

Mr. FITZGERALD. The gentleman objects to limiting this bill to the 31st day of December, 1915, but he opposes any tax at all. Now, how is that consistent? If he objects to the tax, how can he object to cutting it off as quickly as possible?

Mr. PAYNE. When you require the levy of the tax to meet your extravagant expenditures, do not try to fool the people by limiting it to the 31st day of December, 1915.

Mr. FITZGERALD. The gentleman from New York claims it is not necessary to impose any tax at all, and then he complains because it is proposed to limit it to one year.

Mr. PAYNE. I talked an hour here, and my colleague was not here, or he would not say that.

Mr. FITZGERALD. I heard the gentleman's remarks, and I read his speech, and even then I was not convinced.

Mr. PAYNE. I hope the gentleman will not take all my time. I said if it was not for your reckless extravagance or if you would cut your expenses down now it would not be necessary. Your President could call his Cabinet together and ask them to cut down expenses, because they are not required to spend all the money you appropriate for them. If they would do that, they could get along without this revenue bill.

The SPEAKER pro tempore (Mr. HAY). The gentleman has used 15 minutes.

Mr. PAYNE. Mr. Speaker, I will take two minutes more. I do not want to take any more time, for I have agreed to yield the time now.

Mr. Speaker, I was opposed to this bill. I said they ought to wait until the next session and see whether they needed any bill or not; and if they did, how much they needed to meet the deficit they would meet under ordinary circumstances by the Underwood bill, with the reckless way they are appropriating money. They could provide for a temporary deficit by a short-time loan; they should not tax the people now, without any knowledge and without examination of the subject, and blunder along through and put this heavy burden of taxation added to what is already upon the backs of the people. That is what I said, and I agree to it now; but here you add this to your revenue bill, and then you provide that it shall be discontinued, just as everybody knows there will be not only a deficit but a big deficit in the succeeding year of 1916. Oh, you congratulate yourselves on what you have done. The President writes a letter telling what good boys you have been and how you ought to be reelected. You are desperate, trying to get votes, and what a disappointment you will meet a week from next Tuesday, for all over the United States the tide is rising against you. The Cabinet are now out telling the people what a great man the President is and what has been accomplished, and telling what good boys you fellows have been here, following along like little children after a schoolmaster, doing what you are told to do. [Laughter on the Republican side.] But all of that will not save you. We may be called upon to originate a revenue bill right here after the 4th of March, and I do not know but your judgment may be correct on that account. Maybe you want us to originate a sensible revenue bill to meet the deficit which, according to your provisions, you can only meet by bonds after the 31st day of December, 1915. [Applause on the Republican side.]

Mr. Speaker, I now yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Speaker, I congratulate the distinguished gentleman from Alabama [Mr. UNDERWOOD], the leader of the majority in this House, upon his election to the Senate of the United States. [Applause.] The record he has made here is about to draw to a close, and it is a fitting climax to his brilliant career as a successful leader of his party that he should go to the Senate. Over there he will no longer be called upon to create tariff legislation, nor will he be obliged to hold together the contending elements of his party.

Mr. Speaker, this is the saddest day in the history of the revived Democracy. Yesterday was sad enough, when a large part of the party, led by the gentleman from Alabama [Mr. UNDERWOOD], had to go back on its constitutional traditions as to State rights and responsibilities and then atone for its breach

of faith with Thomas Jefferson, its patron saint, on the question of equal rights to all and special privileges to none. [Applause and laughter on the Republican side.] It undertook yesterday to put the cotton monopoly in control of the Treasury of the United States in defiance of its own pretenses of fair play to the common people. To-day, after its failure of yesterday, it faces the consequences of its futile tariff legislation and takes the logical step following the enforcement of the Democratic tariff act of October 3, 1913, and passes a bill not "to lift the burdens from the backs of the American people," as it promised so often to do, but to put a burden directly upon the backs of the American people, and at a time when they are poorer than they were when the alleged relief act of October 3, 1913, was passed.

The gentleman from New York [Mr. PAYNE], the ranking minority member of the Committee on Ways and Means, proud of the record the Republican Party has made in lifting burdens from the American people by a wise and helpful system of protection, did not participate in the conference that brought in the report we are now considering. Although a member of the conference committee, he was not invited to take part in the day's work. I am glad he was not, for the taxation imposed upon the people by this bill was not of Republican making.

The responsibility for it is wholly and solely with the Democrats of this House, who undertook by their act of October 3, 1913, to remedy the alleged defects in the Payne Tariff Act. They have afforded no remedy. They have made conditions worse. Instead of relieving the people they have added to the burdens of the people; they have reduced the wage-earning power of the producer and increased the expenses of the consumer; they have forced taxation upon the business man and the laborer by injuring the trade of one and cutting the wages of the other. They have taken away from the laborer the work he had under a Republican tariff, and now, by this bill, they are adding new burdens to his already depleted resources.

One citation is sufficient to demonstrate the injustice of this bill. The conferees have restored as a taxable commodity proprietary articles sold in drug stores which are so much in use in the households of the country. The poor woman who buys her 10-cent bottle of cough medicine or essence or extract must pay a tax upon it, while just above the cosmetics and other articles provided for in Schedule B we find in the paragraph relating to palace cars that every seat sold in a parlor car, and every berth sold in a sleeping car, shall be taxed only at the rate of 1 cent per seat. It makes no difference whether the passenger rides in a Pullman palace car from Baltimore to Washington, at the rate of 25 cents, or whether he rides on one continuous trip from the Atlantic to the Pacific, all the Pullman Palace Car Co. is expected to pay is 1 cent on each ticket. But the 10-cent drug store specialty used by the poor must pay.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PAYNE. Mr. Speaker, I yield to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Speaker, I am opposed to this conference report, as I was opposed to the original bill, because I think that it is entirely unnecessary to pass a bill taxing the people at this time. If there is any necessity for it, it has been caused by the extravagance and inefficiency of the Democratic Party. I do not believe that we ought to pass a law directly taxing the people in time of peace when it could be avoided by reasonable economy on behalf of this Democratic Congress, or when the Government has money loaned to the banks of the country that could be used for this purpose. I am opposed to taxing the people to put money in the National Treasury as long as the National Treasury has money loaned to the banks of the country at 2 per cent interest and permitting these banks to loan this same money to the people at from 6 per cent to 12 per cent interest.

The other day our good President, in his eulogistic letter to Mr. UNDERWOOD, said, speaking of this tax, "for war, and only war, is the cause of it." If it "is war, and war only," that is the cause of it, I wish that some one would explain how it is that the customs revenues of February this year, compared with the corresponding month of last year, decreased \$9,800,000, while the customs revenues for the month of September this year, two months since we have had the war, decreased only \$9,500,000, as compared with September, 1913.

They tell us that the necessity for this war tax is because the customs revenues have fallen off. What made the tremendous decrease in the month of February, which was even more than it was in the month of September? The total loss of revenue

from all sources for the month of September, 1914, as compared with a year ago, was only \$4,102,000. I have a table showing the revenue for the month of September in detail. It is as follows:

Revenue from customs, September, 1913	\$26,794,494.25
Revenue from customs, September, 1914	17,225,887.03
Loss	9,568,607.22
Internal-revenue tax, ordinary, September, 1914	\$31,466,609.08
Internal-revenue tax, ordinary, September, 1913	25,619,284.43
Gain	5,847,324.65
Corporation income tax, September, 1914	404,038.54
Corporation income tax, September, 1913	83,340.35
Gain	320,698.19
Miscellaneous, September, 1913	3,576,278.02
Miscellaneous, September, 1914	2,874,859.95
Loss	701,418.07
Total, September, 1913	56,073,397.05
Total, September, 1914	51,971,894.60
Loss	4,102,002.45

I have not the figures of the imports into this country of all industries since the war as compared with the months immediately preceding, but I do have the figures showing the imports into this country of lumber and shingles from British Columbia, and it shows that the imports of shingles, logs, lumber, and laths were very much greater in August and September than they were in June and July, the two months immediately preceding the war. These figures are as follows, being the imports from British Columbia into the Puget Sound collection district:

	Shingles.	Logs.	Lumber.	Lath.
1914.	M.	M.	M.	M.
June	21,054	2,356	None.	288
July	16,912	5,810	809	90
August	34,400	4,938	1,191	618
September	35,534	10,709	4,458	732

I have here an interesting document published by the Department of Commerce. It is a report by R. E. Mansfield, consul general at Vancouver, British Columbia, and is published under date of October 13, 1914, Daily Consular Report, pages 216, 217. This entire report is illuminating, as showing the effect, not of the war but of the Underwood tariff, upon the shingle and lumber industry of the State of Washington. As it is short, I will insert it in full, and I trust that those who have been claiming that the present Democratic tariff law has not injured the lumber and shingle industry of this country will read carefully this statement published by a Democratic Secretary of Commerce.

The report of Consul General Mansfield is as follows:

[From Daily Consular and Trade Reports, October 13, 1914.]

BRITISH COLUMBIA SHINGLE AND LUMBER INDUSTRY.

(Consul General R. E. Mansfield, Vancouver, Canada, September 11.)

There are in British Columbia 61 shingle mills, with a total of 313 machines, each machine having an average daily capacity of 25,000, making a total capacity of the mills in the Province of 7,825,000 shingles per day. The maximum number of machines in one mill is 23 and the minimum 1. American capital is interested in 15 of the plants, operating 84 machines, with a total daily capacity of 2,100,000 shingles. The following table gives the number of mills and machines in the Province:

Shingle mills in British Columbia.

Mills.	Machines.	Total machines.	Mills.	Machines.	Total machines.
5	1	5	2	11	22
11	2	22	2	12	24
13	3	39	1	14	14
10	4	40	1	16	16
5	5	25	1	17	17
3	6	18	1	23	23
2	7	14			
2	8	16			
2	9	18	61		313

EXPORTS PRACTICALLY ALL TO UNITED STATES.

Invoiced covering shipments of shingles from British Columbia to the United States certified through this consulate general show a large increase in the exports during the past year. The exports from Vancouver to the United States for the first three quarters of 1913 were 53,569,505, as compared with 64,994,647 for the corresponding period of the previous year. The exports during the last three months of 1913 were 90,899,865 shingles, as compared with 24,590,320 for the corresponding period of 1912.

The exports for the first six months of 1914 were 313,584,035, as compared with 144,469,370 for the entire 12 months of 1913. The shipments of shingles from this port to the States for the last quarter of 1913 and the first half of 1914, covering the three quarters, show

a total of 404,483,900, as compared with 78,159,825 for the corresponding periods of 1912 and 1913.

Practically the entire output of the British Columbia shingle mills is now exported to the United States, the industrial depression prevailing in Canada during the past year having seriously affected building operations in the western Provinces.

The financial conditions incident to the war recently caused the shingle manufacturers in the Province to reduce the wages of employees, which has enabled them to compete more successfully with the shingle mills in the United States, and in order to keep the plants in operation the manufacturers in British Columbia are devoting their energies to the extension and maintenance of their export trade, the bulk of which is to the United States.

OUTPUT OF LUMBER MILLS.

There are 43 lumber mills in British Columbia, with a daily capacity of 2,826,000 feet b. m. The maximum output of an individual plant is 350,000 feet and the minimum 10,000 feet per day of 10 hours. American capital is interested in 6 of the 43 mills, the total daily capacity of which is 524,000. The following list gives the number and daily capacity in 1,000 feet b. m. of the mills in the Province:

Mills.	Output.	Total daily capacity.	Mills.	Output.	Total daily capacity.
	1,000 feet. b. m.	1,000 feet. b. m.		1,000 feet. b. m.	1,000 feet. b. m.
1	10	10	2	61	122
1	15	15	1	65	65
5	20	100	1	68	68
1	25	25	1	75	75
1	26	26	1	76	76
2	28	56	1	79	79
1	30	30	1	84	84
1	32	32	1	90	90
1	33	33	1	104	104
1	35	35	1	119	119
1	37	37	1	133	133
5	40	200	2	170	340
1	46	46	1	200	200
2	50	100	1	350	350
1	56	56			
2	60	120	43		2,826

The lumber exports to the United States invoiced through this consulate general during the December quarter, 1912, were 205,724 feet, and for the last quarter of 1913 the exports amounted to 1,703,554 feet, an increase of 1,497,810. Exports for the last quarter of 1912 and the first half of 1913 were 1,861,100, as compared with 12,030,799 for the last quarter of 1913 and the first half of the year 1914, an increase of 10,169,799. The total exports to the United States for the year 1912 amounted to 1,009,123 feet; the total for 1913 was 4,186,600 feet; and for the first six months of 1914 the shipments invoiced through this consulate general show a total of 10,327,265 feet—nearly ten times more than for the entire year of 1912 and approximately two and one-half times more than during the 12 months of last year.

There is little demand for lumber in western Canada at this time, owing to the depression in the building trade, and the millmen are depending largely upon the market in the United States for an outlet for their products.

[The consul general sent lists of the lumber and shingle mills in British Columbia which are owned by Americans or in which American capital is interested.]

In the same letter to Mr. UNDERWOOD the President says:

Business has already adjusted itself to the new conditions with singular ease and elasticity.

Yes; the lumber and shingle mill business of the State of Washington have adjusted themselves to the new conditions, but I doubt if it has been with ease or with elasticity. The mills have closed, the men are out of employment, and the markets of this country, as Mr. Mansfield says, have been largely taken by the manufacturer in British Columbia. All the lumber and shingles, of course, come in free. The Government is losing the revenue, the American citizen is losing the work, and nobody is benefited. Instead of a direct tax upon the people to meet the expenses of government, if Democratic extravagances must have further revenue, then I think that we should place a duty upon lumber and upon shingles and upon other articles that compete with what we produce in this country. Let the Government have the revenue, reduce the imports, and again open up our own mills and factories.

On yesterday the President assured us that he would not use the word "psychological," but that the very serious business depression throughout the country was largely due to lack of confidence.

And why should there be any lack of confidence at this time, for the Democratic Party has been in power for over 18 months? They went into power promising that they would reduce the cost of living, that they would free business, that they would give us greater prosperity than we have ever had before, and what are the facts? To-day we are in the midst of great business depression; mills and factories are closed or running on short time; idleness and poverty is everywhere. This has always been true whenever the Democratic Party was in power.

As the people to-day look upon present conditions, as they remember the conditions that came under another Democratic administration, is there any wonder that there is lack of confidence in the country? Whatever may be the cause, one thing is certain, that whenever the Democratic Party is in power we

have panic, depression, and hard times, and when the Republican Party is in power we have prosperity. There may be some ground for argument as to what produces the result, but there can be no doubt as to the fact.

When the people look over the record of this Democratic Congress, after over 18 months of continual performance, and then remember the history of their country, it is no wonder that there is a lack of confidence throughout the Nation.

Mr. PAYNE. Mr. Speaker, I will ask the gentleman from Alabama if he has more than one speech?

Mr. UNDERWOOD. I will conclude with a very few words.

Mr. PAYNE. I have a little more time, and I want to yield to one more gentleman.

Mr. UNDERWOOD. I will conclude with the last speech.

Mr. PAYNE. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. MANN].

Mr. UNDERWOOD. How much time has the gentleman?

Mr. PAYNE. I think I have four minutes.

Mr. UNDERWOOD. How much time have I?

The SPEAKER. Ten minutes.

Mr. UNDERWOOD. Does the gentleman from Illinois desire more time?

Mr. MANN. Mr. Speaker, the President is reported yesterday to have said that the trouble with the country was lack of confidence. I am glad to note that the President has discovered, at least, that there is trouble. Gentlemen on the other side of the House have so repeatedly denied on the floor here that there was any trouble in the country that evidently they had not received the right tip from the President. Of course the trouble in the country, when there is trouble in the country, comes from a lack of confidence.

Mr. SAMUEL W. SMITH. Mr. Speaker, let us have order.

The SPEAKER. The House will be in order. Of all days in the session the last day ought to be an orderly day.

Mr. MANN. Well, Mr. Speaker, as it never is and never will be, I am not complaining.

The SPEAKER. The House will be in order whether the gentleman from Illinois wants it or not. [Laughter.]

Mr. MANN. Gentlemen on the other side are settling matters of more importance. Lack of confidence! Of course there is lack of confidence. Why should not there be? Whenever the Democratic Party is in power and has an opportunity to legislate or attack the business of the country through the administration there necessarily comes a lack of confidence. [Applause on the Republican side.] And as long as you are making legislative assaults upon the integrity of the country and its business there will inevitably be a lack of confidence. The only way that the people can overcome the present difficulty and restore confidence in the country is by restoring the Republican Party to power. [Applause on the Republican side.] We had a Democratic administration within your memory, and there was the same lack of confidence then that there is now. Then we come along with another Democratic administration, which came in when the country was more prosperous than it had ever been before, and at once a lack of confidence developed. Why should it not develop? There has been no legislation since Mr. Wilson became President which tended to restore confidence. A year ago we were here, kept by order of the President, in order to speedily pass a currency and banking bill which was to remove all evils, and up to date, nearly a year after it went into effect, so far as the passage of the law was concerned, they have not dared to put it into effect practically. When they will do that will be after the election. They have not dared to organize the Federal reserve banks before the election because no one knows what will happen when they are organized. And meanwhile I commend to our southern friends, who were worrying about the disaster which threatens their section of the country because of the cotton situation, I commend to them the "watchful waiting" attitude of the administration—"watchfully waiting" for bankruptcy in the South and not offering a single suggestion to prevent it. [Applause on the Republican side.]

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] has 10 minutes. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, the gentleman from New York [Mr. PAYNE], in reviewing this conference report, stated that it discriminated between the producers of wine in California and those in the State of New York by reason of the fact that this year the wine producers in California would have little tax to pay and the producers of New York would have all the tax to pay. I read in the report of the proceedings of the Senate several days ago a letter put in the Record by Senator STONE, of Missouri, signed by all the large manufacturers of wine in this country, advocating the passage of this Senate amendment, and in the list were included the large

manufacturers in the gentleman's State. So I do not imagine that they are seriously injured.

Mr. PAYNE. Will the gentleman allow me?

Mr. UNDERWOOD. Yes.

Mr. PAYNE. I have letters from the largest manufacturers in the State expressly protesting against it.

Mr. UNDERWOOD. I have no doubt the gentleman has letters of that kind, but, nevertheless, if the gentleman will refer to the Record—

Mr. PAYNE. Then, I want to call the attention of the gentleman to the fact that they expected the law to be permanent, and all put on an even basis, but you have stricken that out and exempted entirely the California wine interests.

Mr. UNDERWOOD. I will say to the gentleman that the Senate put into this law that provision relating to wine, and it has been agreed to, and at the same time the Senate put in a provision that this bill should be repealed on the 1st day of January, 1916. So they had both staring them in the face at the time they signed this letter.

Mr. PAYNE. I want to say just one word there, namely, that this letter does not say that they knew the law was only to last a year.

Mr. UNDERWOOD. I presume they knew what was in the Record.

My good friend from Pennsylvania [Mr. MOORE] was misinformed with reference to this conference report, and I recognize how he could be, because he only came in in the last few minutes, when he states that this will tax proprietary or patent medicines. I will say to the gentleman from Pennsylvania that which I said in my opening statement, which he evidently did not hear, that under the law reported back by the conferees there is no tax on either proprietary or patent medicines in the bill.

Now, Mr. Speaker, the gentleman from Illinois [Mr. MANN], the distinguished leader of the party, says something as to lack of confidence. I wish to say in passing that the gentleman from Illinois is entitled to congratulation both by this side of the House and by the country on the fact that in the last few days, when it has been difficult to maintain a quorum in this House, due to the fact that men on both sides desire to go to their districts, he has endeavored to help the majority to maintain a quorum, and his side has furnished its pro rata of the membership of this House, and, speaking for the majority, I desire to extend the thanks of the party in power for its patriotism in aiding to furnish a majority to pass the necessary legislation that the Government needs. [Applause on the Democratic side.]

But, Mr. Speaker, the gentleman from Illinois states that the President says the conditions of the country are due to lack of confidence. True, but not to lack of confidence in the Democratic Party. There is no return from hamlet or State that has indicated a lack of confidence by the great masses of the American people in the party in power. [Applause on the Democratic side.] The Democratic Party when it came into power inherited a cesspool of privilege that had grown out of legislation that had been written on the statute books of this country by our political opponents for 40 years. It was our duty to clean out the Augean stable; it was our duty to cure the patient; it was our duty to protect the American people from the grind of privilege and the grind of class. [Applause on the Democratic side.]

And in the 18 months that we have been in power we have kept the faith; we have kept our pledge; we have wiped from the statute books the concessions that you gave to monopoly in your tariff legislation. [Applause on the Democratic side.] We have written on the statute books a banking system for the whole people of the United States [applause on the Democratic side], and not a banking system for aggregate wealth and special class. We have kept our pledges to the American people, and we have not only indorsed the trust legislation that was on the statute books by the orders of a Democratic Attorney General of the United States, but we have written on the statute books within the last few months legislation that will vitalize the Sherman antitrust law [applause on the Democratic side], and enable the Government of the United States to punish the guilty and point the true road to the innocent, that all men may be free not only in their individual lives but in their business transactions. [Applause on the Democratic side.]

Of course, special privilege and class may have lost confidence in the Democratic Party, because the Democratic Party stands with the mailed hand of justice to punish the offender against the law. So it is not that lack of confidence which affects the country. There is a lack of confidence in general business conditions that exist the wide world over. For generation after generation the Bank of England has been the clearing house of

the world. There the world exchanged its bills of lading, there the world cleared, the Orient against the Occident; but when this great calamity in Europe happened and half of the world went to war, the Bank of England suspended specie payments, and the clearing house of the world was closed, and necessarily confidence in business conditions was disturbed, and must be restored again. [Loud applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.
Mr. UNDERWOOD. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Alabama moves the previous question.

The previous question was ordered.

The SPEAKER. The Chair desires to suggest to the House that a good many Members think as soon as this report passes the House that they are at liberty to start for home. There are some things that may need a quorum here until adjournment, and I hope everybody will stay.

Mr. MANN. Certainly, they will not as long as the Speaker has made that statement. You might as well understand there will not be a quorum.

Mr. RAGSDALE. I did not quite catch the statement of the gentleman. [Laughter.]

The SPEAKER. The Chair hopes that everybody will stay here. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. PAYNE. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from New York [Mr. PAYNE] asks for a division. The question is on the adoption of the conference report.

The House divided; and there were—ayes 126, noes 52.

The SPEAKER. The conference report is agreed to. [Applause on the Democratic side.]

On motion of Mr. UNDERWOOD, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT.

Mr. UNDERWOOD. Mr. Speaker, I desire to move the passage of the resolution which I send to the Clerk's desk.

Mr. PAYNE. Pending that, would it not be well to make some arrangement about printing copies of the new act?

PRINTING COPIES OF EMERGENCY REVENUE ACT.

Mr. UNDERWOOD. Mr. Speaker, the gentleman from New York [Mr. PAYNE] has called my attention to the fact that there would probably be a large number of copies of this law requested, and I ask unanimous consent that the Clerk may write a joint resolution providing for the printing—what is the usual number of copies that we print?

Mr. MANN. This act affects every druggist in the United States. Of course, I suppose the Treasury Department will print plenty of copies.

Mr. PAYNE. I think at least 10,000 ought to be printed.

Mr. UNDERWOOD. For the House?

Mr. PAYNE. Yes.

Mr. UNDERWOOD. And 5,000 for the Senate.

Mr. MANN. Ten thousand could be printed for the House, probably, without a joint resolution.

Mr. GLASS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I desire to ask what is the regular order. Is not the regular order the consideration of the bill that the House had under consideration when the House adjourned yesterday?

The SPEAKER. The regular order is that the gentleman from Alabama [Mr. UNDERWOOD] is offering a resolution of the highest privilege—not about this printing business, however.

Mr. UNDERWOOD. If we can print 10,000 copies for the House on a House resolution, I think that is enough for the present. I move, then, Mr. Speaker, that 10,000 copies of this bill be printed and placed in the folding room for the Members.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] moves that 10,000 copies of the law be printed and placed in the folding room for the use of the Members. The question is on agreeing to that motion.

The motion was agreed to.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead

entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 14377. An act to amend section 4472 of the Revised Statutes;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nipper-sink Lake at or near their point of intersection;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 18891. An act to increase the internal revenue, and for other purposes; and

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes.

COMMITTEE TO NOTIFY THE PRESIDENT.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 659.

Resolved, That a committee of three Members be appointed by the Chair to join a similar committee appointed by the Senate to wait upon the President of the United States to notify him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them.

[Applause.]

Mr. HENRY rose.

The SPEAKER. Without objection—

Mr. HENRY. Mr. Speaker, reserving the right to object, was unanimous consent asked to pass this resolution?

The SPEAKER. It is of the highest privilege.

Mr. UNDERWOOD. I think that is a privileged resolution. It goes with the resolution for adjournment.

Mr. HENRY. The adjournment resolution has not been passed.

The SPEAKER. The Chair knows; but the resolution for adjournment will be passed very suddenly. [Applause and laughter.]

Mr. HENRY. Mr. Speaker, reserving the right to object, I have a letter from the President, just received by special messenger, in which he states that he hopes the Congress will not adjourn until the warehouse bill is passed; and therefore I shall make the point that there is no quorum present.

The SPEAKER. The gentleman has the right to make his point. The Chair will count. [After counting.] One hundred and eighty-seven Members are present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Bowdle	Carr	Dies
Alney	Britten	Carter	Donohoe
Allen	Brown, N. Y.	Cary	Doolittle
Anderson	Brown, W. Va.	Casey	Doughton
Ansberry	Browne, Wis.	Church	Driscoll
Anthony	Browning	Clancy	Elder
Aswell	Bryan	Connelly, Kans.	Estopinal
Austin	Buchanan, Ill.	Connelly, Iowa	Faison
Avis	Burke, Pa.	Conry	Ferris
Baker	Burke, S. Dak.	Copley	Fess
Baltz	Burke, Wis.	Cramton	Fields
Bartholdt	Calder	Crosser	FitzHenry
Bathrick	Callaway	Davenport	Fordney
Beall, Tex.	Campbell	Decker	Fowler
Bell, Cal.	Cantor	Deitrick	Francis

Frear	Johnson, Ky.	Merritt	Sloan
French	Johnson, Wash.	Metz	Smith, J. M. C.
Gallagher	Jones	Mitchell	Smith, Minn.
Gallivan	Kahn	Mondell	Smith, N. Y.
Garner	Keister	Moss, Ind.	Steenerson
Gerry	Kelley, Mich.	Moss, W. Va.	Stephens, Cal.
Gill	Kelly, Pa.	Mulkey	Stephens, Nebr.
Gillett	Kennedy, R. I.	Murdock	Stevens, Minn.
Gittins	Kent	Neeley, Kans.	Stevens, N. H.
Goldfogle	Kettner	Neely, W. Va.	Stringer
Good	Knowland, J. R.	Nelson	Summers
Gordon	Konop	Nolan, J. I.	Sutherland
Gorman	Kreider	Norton	Switzer
Graham, Ill.	Lafferty	Oglesby	Taggart
Graham, Pa.	Langley	O'Hair	Talbot, Md.
Green, Iowa	Lee, Pa.	O'Leary	Talcott, N. Y.
Gregg	L'Engle	O'Shaunessy	Taylor, Ala.
Griffin	Lenroot	Paige, Mass.	Temple
Gudger	Lewis, Pa.	Palmer	Ten Eyck
Guernsey	Lindbergh	Peters	Thacher
Hamilton, Mich.	Lindquist	Peterson	Thomas
Hammond	Linthicum	Phelan	Towner
Harris	Loft	Powers	Treadway
Harrison	Logue	Reed	Vollmer
Hart	Loneragan	Reilly, Wis.	Volstead
Hayes	McAndrews	Roberts, Mass.	Walsh
Helgesen	McClellan	Roberts, Nev.	Walters
Helvering	McGuire, Okla.	Rogers	Watkins
Hill	McKenzie	Russell	Weaver
Hinebaugh	McLaughlin	Sabath	Williams
Hobson	MacDonald	Scully	Willis
Howell	Madden	Seldomridge	Wilson, N. Y.
Hoxworth	Mahan	Sells	Woodruff
Hughes, W. Va.	Maher	Shackleford	Young, N. Dak.
Hullings	Manahan	Shreve	
Igoe	Martin	Slomp	

The SPEAKER. On this call 223 Members, a quorum, have responded to their names.

Mr. UNDERWOOD. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

Mr. GLASS. Mr. Speaker, I demand the regular order.

Mr. MANN. The regular order is the resolution presented by the gentleman.

The SPEAKER. Yes.

Mr. HARDWICK. Mr. Speaker, I rise to a point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. HARDWICK. That under the operation of the special rule all the general rules are suspended, and the special rule must be exhausted before any other matter can be taken up.

The SPEAKER. Questions of higher privilege are not abrogated by the special rule.

Mr. HARDWICK. There are no questions of higher privilege when the House is operating under a special rule.

The SPEAKER. The question of the adjournment of Congress is a question of the highest privilege. [Applause.]

Mr. HARDWICK. Mr. Speaker, this is not a proposition to adjourn; and, then, I do not think, with all deference, that the Speaker's statement is correct.

The SPEAKER. The Chair stated before this roll call that that matter about the printing of that bill was not a privileged matter, and so stated, so as to cut that out.

Mr. HARDWICK. The proposition I make is that no matter of privilege under the general rules of the House can operate until the special rule is exhausted, because the special rule suspends the operation of all rules. We have adopted it, and we are operating under it.

Mr. MANN. Will the gentleman from Georgia yield?

Mr. HARDWICK. Certainly; I yield.

Mr. MANN. Is not a motion to adjourn the House ever in order under this rule?

Mr. HARDWICK. A motion to adjourn from day to day is in order.

Mr. MANN. How does it come to be in order if all rules are suspended by the special rule?

Mr. HARDWICK. That is necessary for the physical convenience of the House while it is executing the special order.

Mr. MANN. It is no more necessary than the right to quit and adjourn finally.

Mr. VARE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. VARE. Is a question of personal privilege in order?

The SPEAKER. Not while this one is up.

Mr. HENRY. Mr. Speaker, may we have the resolution reported?

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That a committee of three Members be appointed by the Chair to join a similar committee appointed by the Senate to wait upon the President of the United States to inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some communication to make to them.

Mr. UNDERWOOD. Mr. Speaker, I wish to say that in making this motion I realize that Members desire to go home. I realize that it is important for them to return to their constitu-

encies before the election next week. I also realize the importance of the legislation pending. So far as I am personally concerned, I would be very glad to see the bill that is being considered, presented to the House by the gentleman from Virginia [Mr. GLASS], pass before adjournment. I should be most glad to see the warehouse bill become a law. Not only would I be glad to see it pass, but I am on record as having voted for it, and I should most cheerfully vote for it again. But I recognize that we are now in a condition when we can not expect to hold Members much longer, and I was hoping that after we had passed these resolutions the House, in its good nature—because that is the only way in which we can transact business in the closing hours of a session of Congress—would let these two bills, which all Members on both sides of the House understand, because they have been fully debated heretofore—come to a vote and let the majority express its opinion.

Mr. LEVER. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. LEVER. Let me suggest to the gentleman from Alabama that he submit to the House a request for unanimous consent to give a limited time to the consideration of the bill offered by the gentleman from Virginia [Mr. GLASS] and a very much less time to the warehouse bill, which will be in my charge. I believe, as the gentleman suggests, that in the good nature and good feeling of the House both bills can be passed very easily this evening and go to the Senate and be agreed to. Certainly the warehouse bill can be, because we know the temper of the Senate in that respect.

Mr. POUL. A large majority of the House voted for it once.

Mr. UNDERWOOD. A majority of the House has voted for that bill once before, and it failed to pass simply because on a motion to suspend the rules it did not receive a two-thirds vote.

Mr. HENRY. If the gentleman will yield, I want to be good-natured, and I hope I have been on all occasions. We are operating under a special rule to pass two currency bills. The chairman of the Banking and Currency Committee [Mr. GLASS] says they are very important bills, and I want to hear him fully on those bills. I have not altogether made up my mind upon them, but it is important that we should consider them. After they are passed the President urges that another very important matter should come up, and I want to read a letter just received by me on the floor by special-delivery messenger, so that the House may understand the attitude of the President. That letter is as follows:

THE WHITE HOUSE,
Washington, October 22, 1914.

HON. ROBERT L. HENRY,
House of Representatives.

MY DEAR MR. HENRY: The passage of the cotton warehouse bill seems to me an essential measure for the relief, or the partial relief, of the South. It is one of the concrete things that we can do and should do. May I not urge that you use every endeavor to promote its immediate passage?

Sincerely, yours,

WOODROW WILSON.

Now, in the face of that letter I can not agree that we shall adjourn precipitately, when the fortunes of the people of the South are at stake. This warehouse bill should at least be considered. With some amendment I might be able to support it. A special rule has been reported to bring that bill before the House.

Mr. BORLAND. Does not that letter refer to the Lever bill that the gentleman from South Carolina is now seeking to call up?

Mr. HENRY. Yes.

Mr. BORLAND. Then why not submit a request for an agreement to take up the bill?

Mr. HENRY. I do not know how long it is going to take to pass the other bill, and I do not want to modify this special rule by any exceptional agreement.

Mr. GLASS. Mr. Speaker, as far as I am concerned, I do not desire to debate this other bill. I am perfectly willing to abrogate that requirement of the rule that we shall have an hour of general debate and half an hour on amendments under the five-minute rule. All I ask is for a vote. I want to say that I never should have yielded to the unanimous-consent proposition to let the revenue bill take precedence of these bills had I known there was going to be any trouble about the passage of these bills—had I supposed that gentlemen who had promised to support these measures of relief would resort to tactics of delay. The Secretary of the Treasury, from his sick bed, called me up twice last night to insist upon the passage of these two bills designed to afford increased credit facilities to the southern people of approximately \$500,000,000. So impressed is the Secretary of the Treasury with the necessity of passing these bills that he called up the chairman of the Committee on Ways and Means and asked him to let these bills

take precedence of the revenue bill. If the House will just give me a vote, I do not want a moment's time to debate. The bills are simple, needing no discussion. They will afford infinite relief in the distressed parts of the country, and should long ago have passed.

Mr. COX. Let us vote now. [Cries of "Vote!"]

Mr. POULSEN. Mr. Speaker, if the gentleman will yield for a question, I desire to say that the warehouse bill is in this situation: As we all know, it has passed the Senate. It has been thoroughly debated in the House, and a majority has registered in favor of it. That will afford some relief to the condition of our people which has been described here time and again, and it does look to me as if we can afford to stay over here for two or three hours and get a vote on that measure.

Mr. UNDERWOOD. Oh, I will say that we expect to stay here for two or three hours more.

The SPEAKER. The Chair will state that there will be four or five hours more time for the passage of bills.

Mr. FITZGERALD. Mr. Speaker, I was one of those who opposed the warehouse bill. I shall ask unanimous consent that upon the disposition of the bills under consideration in the special rule the warehouse bill be taken up in the House and considered as in the Committee of the Whole House on the state of the Union.

Mr. MANN. They have a rule already prepared for the warehouse bill.

Mr. FITZGERALD. That will avoid the necessity for taking time on the rule.

The SPEAKER. The gentleman from New York asks unanimous consent—

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will permit, I think, if we can, we had better vote on these bills and get through with them, and get this Congress away this afternoon.

Mr. MANN. Mr. Speaker, I reserve the right to object.

The SPEAKER. The Chair has not yet put the request.

Mr. UNDERWOOD. Mr. Speaker, I desire to make this request for unanimous consent. I ask unanimous consent that the House may now vote on the two bills that the gentleman from Virginia [Mr. GLASS] has here, and that immediately after the disposition of them, no matter which way it goes, the warehouse bill shall be in order, that there be one hour's debate on the bill, and that it then come to a vote.

Mr. HENRY. Mr. Speaker, reserving the right to object—

Mr. MANN. Mr. Speaker, I reserve the right to object.

Mr. BARTLETT. Mr. Speaker, I also reserve the right to object.

The SPEAKER. One at a time.

Mr. HENRY. Mr. Speaker, I think I made the first reservation.

The SPEAKER. The gentleman will proceed.

Mr. HENRY. Mr. Speaker, with the understanding that the vote is to come on the first bill, S. 6398, with a motion to recommit that I have, I have no objection, as far as I am concerned, to that program.

Mr. UNDERWOOD. We will do that.

Mr. MANN. Mr. Speaker, reserving the right to object, there never will come any time toward the close of a session of any Congress when a lot of gentlemen will not insist that the passage of certain bills is absolutely necessary for the country. That time never has been and never will be. There are a great many bills on the calendar that gentlemen desire to pass. The bills referred to now have been before the House for quite a while. They have not been acted upon, but if these bills were all disposed of, other gentlemen will have bills that they want to dispose of, and if we are in a position where anybody can hold us up, then anyone can have his bill disposed of. I am unwilling to adopt any such procedure. I endeavored to the best of my ability to get a quorum here to dispose of the war revenue bill. It was stated by the President, so the newspapers stated, and other gentlemen prominent on the majority side, that when the war revenue bill was disposed of, Congress, in the opinion of the President, might adjourn. Now we have something else, and there always will be something else that somebody else wants passed.

Mr. SHERLEY. Mr. Speaker, I suggest that we can avoid that situation by having the agreement provide that after these bills have been considered, as indicated by the gentleman from Alabama, there shall be immediately considered the resolution of adjournment.

Mr. MANN. The gentleman from Alabama can offer his motion to adjourn now.

Mr. SHERLEY. I understand, but that would dispense with the possibility of other things coming up.

Mr. MANN. It would not dispense with the need of a quorum. Gentlemen are seeking now to take advantage of the House upon the theory that there will not be a quorum present. Very well; let them take that attitude if they want to.

Mr. UNDERWOOD. Mr. Speaker, I am sure that if the gentleman from Illinois [Mr. MANN] and myself entered into a gentlemen's agreement—

Mr. MANN. But that does not bind. I have discovered that entering into gentlemen's agreements with a dozen gentlemen on the Democratic side does not bind everybody over there.

Mr. HARDWICK. Or on that side either.

Mr. MANN. Nobody on this side has broken any such agreement.

Mr. HARDWICK. Nor on this side.

Mr. MANN. Oh, yes; they have. It is being broken now.

Mr. UNDERWOOD. Mr. Speaker, I will state that if this agreement is entered into I shall offer an adjournment resolution to adjourn at 6 o'clock to-night and send it to the Senate, and I shall cooperate with the gentleman from Illinois to see that there is no other business transacted except these three bills and the signing of the necessary bills that come to the Speaker's table.

Mr. MANN. But any Member is in the position where he can hold up the House if he wants to when a quorum disappears. There will not be a quorum in the city in two hours, and I doubt whether there will be a quorum on any other roll call.

The SPEAKER. Then you had better pass the adjournment resolution while you have a quorum here.

Mr. MANN. Mr. Speaker, if it is the desire of the majority side of the House to take that responsibility, let them take it. It is only a short time until we meet in December.

Mr. LEVER. Mr. Speaker, I want to suggest to the gentleman from Illinois that, so far as I am concerned, I desire absolutely no debate on the bill, nothing but a vote.

The SPEAKER. Is there objection?

Mr. SIMS. Mr. Speaker, reserving the right to object, I want to make an inquiry—

Mr. GLASS. Mr. Speaker, I ask unanimous consent that the previous question be considered as ordered upon the two bills—S. 6398 and S. 6505.

The SPEAKER. The rule provides that the previous question shall be ordered.

Mr. GLASS. At the end of debate; but I am asking that it be considered as ordered now.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks unanimous consent that the previous question shall be considered as ordered on both bills named in the special rule. Is there objection?

Mr. HENRY. Mr. Speaker, reserving the right to object, with the understanding that we are to vote also on the motion to recommit when we vote on the bill S. 6398, I shall interpose no objection.

Mr. UNDERWOOD. You can not shut that out.

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The Chair understands that. Does the gentleman from Illinois object?

Mr. MANN. Yes.

Mr. GLASS. Mr. Speaker, I demand the regular order.

The SPEAKER. The question is on this resolution.

Mr. HENRY. Mr. Speaker—

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. HARDWICK and Mr. HEFLIN demanded a division.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I make the point of order that is dilatory. There has been no business transacted since the presence of a quorum was developed.

The SPEAKER. There has been no business transacted. The roll call showed a quorum, and a large quorum. The Chair thinks a quorum is here now. [Applause.] The question is on this resolution.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. HARDWICK) there were—ayes 125, noes 59.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-five Members are present, not a quorum. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 142, nays 85, answered "present" 2, not voting 199, as follows:

YEAS—142.

Alexander	Donovan	Kennedy, Conn.	Rauch
Ashbrook	Dooling	Kennedy, Iowa	Reilly, Conn.
Bailey	Doremus	Key, Ohio	Riordan
Barchfeld	Drukker	Kless, Pa.	Rothermel
Barnhart	Dunn	Kindel	Rubey
Bartlett	Eagan	Kinkaid, Nebr.	Rucker
Barton	Edmonds	Kinkaid, N. J.	Rupley
Beakes	Esch	Kirkpatrick	Sherley
Bocher	Fairchild	La Follette	Sherwood
Borchers	Falconer	Langham	Sinnott
Borland	Farr	Leshner	Slayden
Brockson	Fergusson	Lewis, Md.	Smith, Idaho
Brodbeck	Fitzgerald	Lieb	Smith, Md.
Bruckner	Gard	Lloyd	Smith, Saml. W.
Brumbaugh	Gardner	Lobeck	Sparkman
Burgess	George	McGillcuddy	Stafford
Butler	Gill	Maguire, Nebr.	Stanley
Cantrill	Gilmore	Mann	Steenerson
Carew	Goulden	Mapes	Stephens, Miss.
Chandler, N. Y.	Graham, Pa.	Miller	Stone
Clark, Fla.	Gray	Moore	Tayner
Claypool	Greene, Mass.	Morgan, Okla.	Taylor, Colo.
Cline	Greene, Vt.	Morin	Taylor, N. Y.
Coady	Griest	Morrison	Thomson, Ill.
Cooper	Hamilton, N. Y.	Mott	Townsend
Cox	Hamlin	Nelson	Tuttle
Cullop	Haugen	O'Brien	Underhill
Curry	Hayley	Parker	Underwood
Dale	Hayden	Patton, Pa.	Vare
Danforth	Helm	Payne	Wallin
Davis	Hensley	Platt	Whitacre
Dershem	Hinds	Plumley	Winslow
Dickinson	Humphrey, Wash.	Porter	Witherspoon
Difenderfer	Johnson, Utah	Prouty	Woods
Dillon	Keating	Rainey	
Dixon		Raker	

NAYS—85.

Abercrombie	Evans	Johnson, S. C.	Saunders
Adamson	Finley	Kitchin	Sims
Aiken	Flood, Va.	Korbly	Sisson
Aswell	Floyd, Ark.	Lazaro	Small
Barkley	Garrett, Tenn.	Lee, Ga.	Smith, Tex.
Bell, Ga.	Garrett, Tex.	Lever	Stedman
Blackmon	Glass	McKellar	Stephens, Tex.
Broussard	Godwin, N. C.	Montague	Stout
Buchanan, Tex.	Goeke	Moon	Taylor, Ark.
Bulkeley	Goodwin, Ark.	Morgan, La.	Thompson, Okla.
Burnett	Hardwick	Murray	Tribble
Byrnes, S. C.	Hardy	Oldfield	Vaughan
Byrns, Tenn.	Hedlin	Padgett	Watson
Candler, Miss.	Henry	Page, N. C.	Webb
Caraway	Holland	Park	Whaley
Carlin	Houston	Patten, N. Y.	White
Collier	Howard	Post	Wilson, Fla.
Crisp	Hughes, Ga.	Pou	Wingo
Dent	Hull	Quin	Young, Tex.
Dupré	Humphreys, Miss.	Ragsdale	
Eagle	Jacoway	Rayburn	
Edwards	Johnson, Ky.	Rouse	

ANSWERED "PRESENT"—2.

Feister Taylor, Ala.

NOT VOTING—199.

Adair	Dies	Hobson	Mitchell
Alney	Donohoe	Howell	Mondell
Allen	Doolittle	Hoxworth	Moss, Ind.
Anderson	Doughton	Hughes, W. Va.	Moss, W. Va.
Ansberry	Driscoll	Hullings	Mulkey
Anthony	Elder	Igoe	Murdock
Austin	Estopinal	Johnson, Wash.	Neeley, Kans.
Avis	Faison	Jones	Neely, W. Va.
Baker	Ferris	Kahn	Nolan, J. I.
Baltz	Fess	Keister	Norton
Bartholdt	Fields	Kelley, Mich.	Oglesby
Bathrick	FitzHenry	Kelly, Pa.	O'Hair
Beall, Tex.	Fordney	Kennedy, R. I.	O'Leary
Bell, Cal.	Fowler	Kent	O'Shaunessy
Bowdle	Francis	Kettner	Paige, Mass.
Britten	Frear	Knowland, J. R.	Palmer
Brown, N. Y.	French	Konop	Peters
Brown, W. Va.	Gallagher	Kreider	Peterson
Browne, Wis.	Gallivan	Lafferty	Phelan
Browning	Garner	Langley	Powers
Bryan	Gerry	Lee, Pa.	Reed
Buchanan, Ill.	Gillett	L'Engle	Reilly, Wis.
Burke, Pa.	Gittins	Lenroot	Roberts, Mass.
Burke, S. Dak.	Goldfogle	Levy	Roberts, Nev.
Burke, Wis.	Good	Lewis, Pa.	Rogers
Calder	Gordon	Lindbergh	Russell
Callaway	Gorman	Lindquist	Sabath
Campbell	Graham, Ill.	Linthicum	Scott
Cantor	Green, Iowa	Loft	Scully
Carr	Gregg	Logue	Seldomridge
Carter	Griffin	Loneragan	Sells
Cary	Gudger	McAndrews	Shackelford
Casey	Guernsey	McClellan	Shreve
Church	Hamill	McGuire, Okla.	Slemp
Clancy	Hamilton, Mich.	McKenzie	Sloan
Connolly, Kans.	Hammond	McLaughlin	Smith, J. M. C.
Connolly, Iowa	Harris	MacDonald	Smith, Minn.
Conry	Harrison	Madden	Smith, N. Y.
Copley	Hart	Mahan	Stephens, Cal.
Cramton	Hayes	Maher	Stephens, Nebr.
Crosser	Helgesen	Manahan	Stevens, Minn.
Davenport	Helvering	Martin	Stevens, N. H.
Decker	Hill	Merritt	Stringer
Deitrick	Hinebaugh	Metz	Summers

Sutherland	Ten Eyck	Volstead	Williams
Switzer	Thacher	Walker	Willis
Taggart	Thomas	Walsh	Wilson, N. Y.
Talbot, Md.	Towner	Walters	Woodruff
Talcott, N. Y.	Treadway	Watkins	Young, N. Dak.
Temple	Vollmer	Weaver	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Until further notice:

Mr. GARNER with Mr. FORDNEY.

Mr. MANAHAN with Mr. GREGG.

Mr. ANSBERRY with Mr. FESS.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada (except war-tax bill or conference report).

Mr. GORMAN with Mr. FRENCH.

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. FOSTER with Mr. KELLEY of Michigan.

Mr. PALMER with Mr. MARTIN.

Mr. BROWN of New York with Mr. MERRITT.

Mr. WATKINS with Mr. SLEMP.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. REILLY of Wisconsin with Mr. BROWNE of Wisconsin.

Mr. ADAIR with Mr. AINEY.

Mr. ALLEN with Mr. AUSTIN.

Mr. BALTZ with Mr. ANDERSON.

Mr. BROWN of West Virginia with Mr. ANTHONY.

Mr. CALLAWAY with Mr. AVIS.

Mr. CARR with Mr. BARCHFELD.

Mr. CARTER with Mr. BELL of California.

Mr. CASEY with Mr. BURKE of Pennsylvania.

Mr. CLANCY with Mr. CAMPBELL.

Mr. CONNOLLY of Iowa with Mr. CARY.

Mr. CONNELLY of Kansas with Mr. CEAMTON.

Mr. CONRY with Mr. FREAR.

Mr. DAVENPORT with Mr. GILLETTE.

Mr. DETTRICK with Mr. GOOD.

Mr. DONOHUE with Mr. GUERNSEY.

Mr. DOUGHTON with Mr. HAMILTON of Michigan.

Mr. DRISCOLL with Mr. HAYES.

Mr. ESTGIPINAL with Mr. HOWELL.

Mr. FERRIS with Mr. HULINGS.

Mr. FRANCIS with Mr. JOHNSON of Washington.

Mr. GALLAGHER with Mr. KAHN.

Mr. GALLIVAN with Mr. KESTER.

Mr. GOLDFOGLE with Mr. KENNEDY of Rhode Island.

Mr. GRAHAM of Illinois with Mr. J. R. KNOWLAND.

Mr. GUDGER with Mr. KREIDER.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. LONERGAN with Mr. LINDQUIST.

Mr. MCANDREWS with Mr. MCGUIRE of Oklahoma.

Mr. MCCLELLAN with Mr. MCKENZIE.

Mr. MITCHELL with Mr. McLAUGHLIN.

Mr. MOSS of Indiana with Mr. MADDEN.

Mr. NEELY of West Virginia with Mr. MONDELL.

Mr. NELLEY of Kansas with Mr. MOSS of West Virginia.

Mr. O'HAIR with Mr. J. I. NOLAN.

Mr. PETERSON with Mr. NORTON.

Mr. PHELAN with Mr. POWERS.

Mr. REED with Mr. PETERS.

Mr. RUSSELL with Mr. ROBERTS of Nevada.

Mr. SABATH with Mr. ROGERS.

Mr. SELDOMRIDGE with Mr. SHREVE.

Mr. SHACKLEFORD with Mr. J. M. C. SMITH.

Mr. STRINGER with Mr. SMITH of Minnesota.

Mr. SUMNERS with Mr. STEPHENS of California.

Mr. TAGGART with Mr. STEVENS of Minnesota.

Mr. TALCOTT of New York with Mr. SELLS.

Mr. TALBOTT of Maryland with Mr. SWITZER.

Mr. TEN EYCK with Mr. SUTHERLAND.

Mr. THACHER with Mr. TEMPLE.

Mr. THOMAS with Mr. TOWNER.

Mr. WALKER with Mr. TREADWAY.

Mr. WALSH with Mr. VOLSTEAD.

Mr. WILLIAMS with Mr. WILLIS.

Mr. WILSON of New York with Mr. YOUNG of North Dakota.

For the session:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. SCULLY with Mr. BROWNING.

Mr. HAMMOND with Mr. BURKE of South Dakota.

The result of the vote was announced as above recorded.

The SPEAKER announced as the committee on the part of the House, Mr. UNDERWOOD, Mr. FITZGERALD, and Mr. MANN.

ADJOURNMENT OF SESSION.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the resolution which I send to the Clerk's desk:

The SPEAKER. The gentleman from Alabama offers a resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 51.

Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 22d day of October, 1914, at 6 o'clock p. m.

Mr. UNDERWOOD. Mr. Speaker, some gentlemen suggest that we make it 8 p. m. So far as I am concerned, I would like this business to be voted on. I have agreed, and we have all had an understanding, and especially I had the understanding with the gentleman from Illinois, that he would furnish a quorum here to pass the revenue bill if we would adjourn and let his people get home when it was through. So far as I am concerned, I am going to try to live up to my understanding; but I would like a part of these bills to be voted on, and I will be glad to have the resolution amended so as to read 8 o'clock p. m. Of course it would not be passed until the Senate got through with its business. Then, after the passage of the resolution here, we could take up these other bills and have a vote on them.

Mr. MOORE. Will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. MOORE. Day before yesterday the gentleman from Virginia [Mr. FLOOD] sought to bring up a bill which the State Department very much desired to have passed. There was temporary objection to its consideration, but the gentleman gave notice that he would call it up immediately after the passage of the other bill.

Mr. UNDERWOOD. That can go over until December.

Mr. MOORE. That bill, then, is not included in the arrangement the gentleman is now asking for?

Mr. UNDERWOOD. No. I ask that we adjourn in peace and let everybody go home. I would like to change this resolution to read 8 o'clock.

Mr. MANN. Let me make a suggestion to the gentleman.

Mr. UNDERWOOD. Of course, if the Senate does not act, we can not help it.

Mr. MANN. Now, quite a number of the trains go out in the evening before 8 o'clock. There will not be any quorum here after 6 o'clock; there will not be any quorum in the House, speaking unofficially, after 4 o'clock, and I do not think there will be one after 3 o'clock, and I doubt if there will be one after 2 o'clock. So it practically makes no difference, except that certain gentlemen on both sides of the House, who have their tickets and sleeping-car reservations to go on the afternoon trains, might be discommoded if they have to wait over if this resolution is changed to 8 o'clock. Gentlemen on both sides of the House have made this statement to me, hoping they would be able to get home. So far as I am personally concerned, it is a matter wholly immaterial. But without a quorum business would not be transacted except by unanimous consent.

Mr. UNDERWOOD. Certainly. I agree with the gentleman. There are plenty of gentlemen on both sides of the House who will probably get out this evening.

Mr. MANN. After 8 o'clock there is not much convenience in the way of going west, anyhow. You can go to New York most any time, or get out of it any time, which most people like to do, and to the South, perhaps.

Mr. GLASS. Mr. Speaker, I want it understood that I am not undertaking to violate any agreement the gentlemen may have made. And, although I am not a party to that agreement, I would not be willing to see this side of the House violate any agreement that the gentleman from Alabama [Mr. UNDERWOOD] has made. [Applause.] But I do not think the gentlemen ought to manifest too great an anxiety to get away from here when vital public business is engaging the attention of the House. I have been here in Washington for 26 months, with the exception of 2 weeks that I have been absent on account of sickness, and I am willing to stay here, and other gentlemen, notwithstanding they have purchased their railroad tickets, ought to be willing to stay here and pass upon these bills that are of vital importance to a great part of this country.

Mr. UNDERWOOD. I will say to the gentleman from Virginia [Mr. GLASS], so far as I am personally concerned, I would

most cheerfully do so. I am willing to stay right on until December, so far as I am concerned. But I am looking at the question from a practical standpoint. I know if we do not adjourn this House now when we have a quorum, we will have no quorum to-morrow. You can not keep men away from their districts within a week of election, and what I am trying to do is to arrange it so that these bills may be voted on. We have six hours, and if there be no unusual delay they may all be voted on, and I have not seen any indication—

Mr. GLASS. The gentleman will certainly acquit me of any participation in unreasonable delay or any sort of delay.

Mr. UNDERWOOD. I am anxious for the gentleman's bills to be passed. I would most cheerfully vote for them, and I would like to aid him in doing so. But I said to the other side of the House that if they would stay here and furnish a quorum we would adjourn after the business the President said he desired was completed. I am not a shadow to dodge in and out. I have got to stand by what I have said.

Mr. MANN. The gentleman from Virginia [Mr. GLASS] knows that Congress meets again in December, even if we adjourn now. That is not a long time and not a long rest for the Members who are entitled to one. The fact is that the other day there was no quorum here. So far as I could see, there was not any chance to get a quorum back here except by the personal efforts of the gentleman from Alabama, and the whips, and gentlemen on this side, or by readopting the docking resolution, which I do not think could have been adopted. The gentleman from Alabama [Mr. UNDERWOOD], when objection was made to sending the revenue bill to conference in the first instance, and when it was sent to committee, said to me that he would like to have a quorum.

I said that I would cooperate in getting a quorum here on Wednesday—that was yesterday—and keeping them here until the conference report on the war-revenue tax bill was passed in the House. I thought that was fair to the Members of the House, although I was personally very much opposed to the bill. I notified gentlemen quite peremptorily—more so than I have ever done before—from a large section of the country, asking them to come back here and break their campaign engagements, and they came. They made up the quorum yesterday, and they made up the quorum to-day; and when they came I told them they could go away as soon as the conference report on the war-tax bill was disposed of. I shall keep my agreement with them, whatever the House may do. I do not think that there will be a quorum here. Of course, the gentlemen on the other side have the power to inconvenience every other Member of Congress and probably keep us here without letting us pass the resolution to adjourn, but I hope they will not do it.

Mr. GLASS. I am not going to be a party to that, and I hope also that no gentleman on this side will interpose any objection under the regular order to voting on these bills.

Mr. UNDERWOOD. I will say to the gentleman from Virginia that if this resolution be passed he will have the time between the passage of this resolution and 6 o'clock in which to pass his resolution, which, if it can go through at all, will go through in that time. If it will not go through at all, it will not go through in that time. That is apparent.

Mr. MANN. I would call the attention of the gentleman from Alabama to this situation: If the point of no quorum should be made during the afternoon—and I apprehend such a point would be made if these currency bills should come up—and there should be no quorum here, the Speaker could not lay the enrolled copy of the revenue bill before the House to-day, anyhow. It would have to go over until to-morrow. In the absence of a quorum the Speaker can not lay the enrolled bill before the House.

Mr. UNDERWOOD. Certainly.

Mr. GLASS. Does that mean that my friend from Illinois is going to break his own agreement and not insist upon gentlemen staying here to make a quorum?

Mr. MANN. I have not made an agreement with anybody to stay here after the conference report is agreed to. I have stated that I thought there would be no quorum here when the enrolled bill was presented to the House, and if anyone on that side desired to prevent the enrolled bill being laid before the House in the absence of a quorum they would have that responsibility.

Mr. UNDERWOOD. I will say to the gentleman from Illinois that I expected to pass this resolution in the usual way and notify the President and have final action on the adjournment resolution held in the Senate until the bill was signed.

Mr. MANN. I understand that part of it.

Mr. UNDERWOOD. Of course this resolution will not go through the Senate until the bill is signed by the officers of the two Houses.

Mr. MANN. I understand that.
Mr. UNDERWOOD. And the purpose of it is to facilitate the public business.

Mr. MANN. I think this resolution is proper.

Mr. UNDERWOOD. I would like to give these gentlemen a chance, and if we can pass the resolution under these circumstances without delay and give additional time for the consideration for these bills, I would be very glad to change it to 8 o'clock. [Cries of "Vote!" "Vote!"]

The SPEAKER. Does the gentleman from Alabama desire to amend his resolution or not?

Mr. UNDERWOOD. I do not think that is satisfactory. I wanted to avoid a roll call.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. HENRY. A division, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. HENRY] demands a division. Those in favor of the resolution will rise and stand until they are counted. [After counting.] One hundred and twenty-one gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Thirty-one gentlemen have risen in the negative.

Mr. HENRY. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. On this vote the ayes are 121 and the noes are 31. The Chair will count. [After counting.] One hundred and sixty-one Members are present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of this resolution will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 141, nays 76, answered "present" 1, not voting 210, as follows:

YEAS—141.

Alexander	Doremus	Key, Ohio	Rothermel
Ashbrook	Drukker	Kless, Pa.	Rouse
Bailey	Eagan	Kinkaid, Nebr.	Rubey
Barefield	Edmonds	Kirkpatrick	Rucker
Barnhart	Esch	Kreider	Rupley
Bartlett	Evans	La Follette	Scott
Barton	Fairechild	Langham	Sherley
Beakes	Falconer	Leshar	Sherwood
Booher	Farr	Levy	Sinnot
Borchers	Ferguson	Liebs	Slayden
Borland	Fitzgerald	Lloyd	Smith, Idaho
Brocksom	Gard	Lobeck	Smith, Saml. W.
Brodbeck	Gardner	McGillivuddy	Sparkman
Bruckner	George	Maguire, Nebr.	Stafford
Brumbaugh	Gill	Mann	Stanley
Bulkley	Gillmore	Mapes	Steenerson
Butler	Goette	Miller	Stephens, Miss.
Cantrill	Goulden	Moore	Stone
Carew	Graham, Pa.	Morgan, Okla.	Stout
Chandler, N. Y.	Gray	Morin	Tavener
Clark, Fla.	Greene, Mass.	Morrison	Taylor, Colo.
Coady	Greene, Vt.	Mott	Taylor, N. Y.
Cooper	Hamil	Nelson	Thomson, Ill.
Cox	Hamil	O'Brien	Townsend
Cullop	Hamil	Patten, N. Y.	Tuttle
Curry	Hawley	Patton, Pa.	Underhill
Dale	Helm	Payne	Underwood
Danforth	Hensley	Platt	Vare
Davis	Hinds	Plumley	Wallin
Dershem	Humphrey, Wash.	Porter	Whitacre
Dickinson	Humphreys, Miss.	Prouty	Winslow
Difenderfer	Johnson, Utah	Rainey	Witherspoon
Dillon	Keating	Raker	Woods
Dixon	Kennedy, Conn.	Bauch	
Donovan	Kennedy, Iowa	Reilly, Conn.	
Dooling		Riordan	

NAYS—76.

Abercrombie	Eagle	Johnson, Ky.	Ragsdale
Adamson	Edwards	Johnson, S. C.	Rayborn
Aiken	Finley	Kitchin	Saunders
Aswell	Flood, Va.	Korby	Sims
Barkley	Floyd, Ark.	Lazaro	Sisson
Bell, Ga.	Garrett, Tenn.	Lee, Ga.	Smith, Tex.
Blackmon	Garrett, Tex.	Lever	Stedman
Broussard	Glass	McKellar	Stephens, Tex.
Buchanan, Tex.	Godwin, N. C.	Montague	Taylor, Ark.
Burnett	Goodwin, Ark.	Moon	Thompson, Okla.
Byrnes, S. C.	Hardy	Morgan, La.	Tribble
Byrns, Tenn.	Hedlin	Murray	Vaughan
Candler, Miss.	Henry	Oldfield	Watson
Caraway	Holland	Padgett	Webb
Carlin	Houston	Page, N. C.	Whaley
Collier	Howard	Park	White
Crisp	Hughes, Ga.	Post	Wilson, Fla.
Dent	Hull	Pou	Wingo
Dupré	Jacoway	Quin	Young, Tex.

ANSWERED "PRESENT"—1.

Foster

NOT VOTING—210.

Adair	Elder	Kelly, Pa.	Phelan
Ainey	Estopinal	Kennedy, R. I.	Powers
Allen	Faison	Kent	Reed
Anderson	Ferris	Kettner	Reilly, Wis.
Ansberry	Fess	Kindel	Roberts, Mass.
Anthony	Fields	Kinhead, N. J.	Roberts, Nev.
Austin	FitzHenry	Knowland, J. R.	Rogers
Avis	Fordney	Konop	Russell
Baker	Fowler	Lafferty	Sabbath
Baltz	Francis	Langley	Scully
Bartholdt	Frear	Lee, Pa.	Seldomridge
Bathrick	French	L'Engle	Sells
Beall, Tex.	Gallagher	Lenroot	Shackleford
Bell, Cal.	Gallivan	Lewis, Md.	Shreve
Bowdle	Garner	Lewis, Pa.	Slemp
Britten	Gerry	Lindbergh	Sloan
Brown, N. Y.	Gillett	Lindquist	Small
Brown, W. Va.	Gittins	Linthicum	Smith, J. M. C.
Browne, Wis.	Goldfogle	Loff	Smith, Md.
Browning	Good	Logue	Smith, Minn.
Bryan	Gordon	Loneragan	Smith, N. Y.
Buchanan, Ill.	Gorman	McAndrews	Stephens, Cal.
Burgess	Graham, Ill.	McClellan	Stephens, Nebr.
Burke, Pa.	Green, Iowa	McGuire, Okla.	Stevens, Minn.
Burke, S. Dak.	Gregg	McKenzie	Stevens, N. H.
Burke, Wis.	Griffin	McLaughlin	Stringer
Calder	Gudger	MacDonald	Summers
Callaway	Guernsey	Madden	Sutherland
Campbell	Hamilton, Mich.	Mahan	Switzer
Cantor	Hamilton, N. Y.	Maher	Taggart
Carr	Hammond	Manahan	Talbot, Md.
Carter	Hardwick	Martin	Talcott, N. Y.
Cary	Harris	Merritt	Taylor, Ala.
Casey	Harrison	Metz	Temple
Church	Hart	Mitchell	Ten Eyck
Clancy	Haugen	Mondell	Thacher
Claypool	Hayden	Moss, Ind.	Thomas
Cline	Hayes	Moss, W. Va.	Towner
Connelly, Kans.	Helgesen	Mulkey	Treadway
Connolly, Iowa	Helvering	Murdock	Vollmer
Conry	Hill	Neeley, Kans.	Volstead
Copley	Hinebaugh	Neely, W. Va.	Walker
Cramton	Hobson	Nolan, J. I.	Walsh
Crosser	Howell	Norton	Walters
Davenport	Hoxworth	Oglesby	Watkins
Decker	Hughes, W. Va.	O'Hair	Weaver
Deitrick	Hullings	O'Leary	Williams
Dies	Igoe	O'Shaunessy	Willis
Donohoe	Johnson, Wash.	Paige, Mass.	Wilson, N. Y.
Doolittle	Jones	Palmer	Woodruff
Doughton	Kahn	Parker	Young, N. Dak.
Driscol	Keister	Peters	
Dunn	Kelley, Mich.	Peterson	

So the resolution was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will unlock the doors.

OCTOBER SALARIES OF HOUSE AND SENATE EMPLOYEES.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent for the present consideration of the following joint resolution (H. J. Res. 376) to pay the Senate and House employees their salaries on the day of adjournment.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of a joint resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 376) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, borne on the annual and session rolls, and including the Capitol police, their respective salaries for the month of October, 1914, on the day of adjournment of the present session. The Clerk of the House of Representatives is authorized to pay to Members and Delegates on that day their allowance for clerk hire for the said month of October.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

Mr. MANN. Will the gentleman yield for a question?

Mr. FITZGERALD. Yes.

Mr. MANN. Are the session employees to be paid for the full month of October?

Mr. FITZGERALD. I am not sure. I think the legislative act—

Mr. MANN. I do not think the legislative act covers so long a session as we have had.

Mr. FITZGERALD. It fixes the length of the session, so far as session employees are concerned.

Mr. MANN. Yes; I understand. But that time has long since expired. I am inclined to think myself that the session employees ought to be paid for the full month of October. That may be the case, for aught I know.

Mr. FITZGERALD. This is in the usual form, and is a convenience to the employees.

Mr. MANN. I do not think anybody could tell from that resolution whether the session employees are to be paid up to to-day, if Congress adjourns to-day, or for the full month of October.

Mr. BARTLETT. It says their October salaries.

Mr. FITZGERALD. I may be able to modify it.

Mr. CARLIN. I will ask the gentleman if he has any objection to giving an additional month's pay to employees?

Mr. FITZGERALD. That can not be done. I have no objection to providing that session employees shall be paid their salaries for the full month of October.

Mr. MANN. I think that ought to be done.

Mr. FITZGERALD. If there be no objection, I will ask to amend the resolution by placing at the end of it the words—

Provided, That session employees shall be paid a full month's compensation.

Mr. Sisson. Mr. Speaker, I have absolutely no objection to that.

Mr. FITZGERALD. Mr. Speaker, I withdraw the suggestion, because the clerk of the Committee on Appropriations calls my attention to the fact that it would be ineffective unless some provision were made to pay it out of the contingent funds of the two Houses.

Mr. CARLIN. Let us do that.

Mr. MANN. Why would it be ineffective if the money has been appropriated? There has been an indefinite appropriation for session employees down to the day of adjournment.

Mr. FITZGERALD. There has been an indefinite appropriation to pay the session employees up to and including the last day of the session.

Mr. MANN. That is all right; and if we say they shall be paid for the full month of October, and that is an act of Congress, that indefinite appropriation will apply.

Mr. FITZGERALD. Not unless the resolution carries words appropriating sufficient money to do it.

Mr. MANN. Oh, yes.

Mr. CARLIN. Let us do that, too.

Mr. MANN. We simply make that definition of it.

Mr. FITZGERALD. I shall withhold the resolution for a moment, with the consent of the House, to prepare an amendment for that purpose, if it be the desire of the House to pay the session employees the entire month's salary.

Mr. MANN. You had better pass the resolution in its present form, and then fix that up in the Senate.

The SPEAKER. Does the gentleman withdraw the resolution?

Mr. FITZGERALD. I shall ask the House to act on the resolution, and then I shall have an amendment attached to it in the Senate that will carry out that purpose.

The resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

QUESTION OF PERSONAL PRIVILEGE.

Mr. VARE. Mr. Speaker, I ask unanimous consent to address the House for two minutes on a question of personal privilege.

The SPEAKER. The gentleman from Pennsylvania [Mr. VARE] asks unanimous consent to address the House for two minutes on a personal matter. Is there objection?

There was no objection.

Mr. VARE. Mr. Speaker, the North American, a daily newspaper of Philadelphia, on Monday, Tuesday, and Wednesday of this week published an editorial statement of information purporting to have been given to its editors by Senator BOIES PENROSE, to wit, that I, WILLIAM S. VARE, had conveyed large sums of money to John E. Reyburn, the then mayor of the city of Philadelphia, and actually had personally paid \$5,000 into said John E. Reyburn's hands.

If Senator PENROSE or any other person made such a statement to the editors of that newspaper or elsewhere, it was an absolute lie, without the slightest foundation in fact or in truth, and was made to injure my candidacy for mayor of Philadelphia at that time and for no other purpose. If Senator PENROSE did not give this false information to the North American, it is up to him as a candidate for the United States Senate to so deny it that the public will be satisfied of its falsity. [Applause.]

COTTON AND TOBACCO.

Mr. GLASS. Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is the consideration of Senate bill 6398.

Mr. MANN. A motion to reconsider is pending.

Mr. BULKLEY. Under the rule, has not the previous question been ordered on S. 6398?

Mr. MANN. Why, certainly.

The SPEAKER. Under this rule you do not have a vote on either one of those bills, S. 6398 or S. 6505, until you get through with the debate on both of them. It is a very peculiar situation and a very peculiar rule.

Mr. BULKLEY. Has not debate been exhausted on S. 6398?

Mr. MANN. On this bill there is pending a motion to reconsider the vote by which section 2 was stricken from the bill, and a motion to lay that motion on the table. That is a matter pending before the House.

Mr. BULKLEY. The motion to lay on the table was passed last night.

The SPEAKER. That is correct. The Chair remembers that he himself voted in order to make a quorum.

Mr. BULKLEY. Does not that exhaust the consideration of S. 6398?

The SPEAKER. It does not exhaust consideration of it.

Mr. BULKLEY. But all debate is exhausted.

The SPEAKER. Yes; all debate is exhausted. A motion to table the motion of the gentleman from Georgia [Mr. CRISP] to reconsider was carried, and of course that is the end of that. But this rule provides that after all debate is exhausted on these two bills the previous question is ordered upon them, and that they shall be voted upon.

Mr. BULKLEY. Then does the Chair hold that the bill S. 6505 has to be debated before we can vote on the bill S. 6398?

Mr. MANN. Certainly; that is the rule.

The SPEAKER. If anybody desires to debate it; yes. If gentlemen want to waive debate, there is no way on earth of compelling anyone to debate it.

Mr. MANN. Mr. Speaker, we are not going to waive it. If they waive the bill, we will waive debate.

The SPEAKER. The Clerk will report the Senate bill 6505.

The Clerk read as follows:

"Be it enacted, etc., That section 11 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"The Federal Reserve Board shall have power to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults."

"That section 16 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"The Secretary of the Treasury is hereby authorized to devise and put into operation a system of clearances of national-bank notes between the Treasury, the Federal reserve banks, and the member banks, and for that purpose to designate Federal reserve banks as agents of the United States."

"Amend the title so as to read: 'An act to amend sections 19 and 16 of an act to provide for the establishment of Federal reserve banks, etc., approved December 23, 1913, and commonly known as the Federal reserve act.'"

With the following committee amendments:

"Amend, page 1, line 3, by striking out the word 'eleven' and inserting the word 'nineteen.'"

"Amend, page 1, lines 6 and 7, by striking out the words 'The Federal Reserve Board shall have power to permit' and insert in lieu thereof the following: 'For a period of 36 months after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in any district, as provided in section 19 of the Federal reserve act.'"

"Amend, page 2, line 3, by striking out the word 'to' and inserting in lieu thereof the word 'may.'"

"Amend the title so as to read: 'An act to amend sections 19 and 16 of an act to provide for the establishment of Federal reserve banks, etc., approved December 23, 1913, and commonly known as the Federal reserve act.'"

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes, and the Chair will recognize the gentleman from Illinois [Mr. MANN] for the rest of the time.

Mr. GLASS. This bill (S. 6505) was amended by the House committee and favorably reported several weeks ago. It has the imprimatur of the Federal Reserve Board and of the Senate, and will promptly receive the approval of the President of the United States. The design of this bill is to make immediately available to the regional reserve banks rediscount facilities that these banks would acquire only after three years under the existing Federal reserve act. The House will recall that under the Federal reserve act a period of three years is provided in which the reserve requirements of the act may be complied with—three years in which the shifting of reserves from many thousands of banks throughout the country to the 12 regional banks shall take place. Had there been no disturbance caused by war, with its consequent dislocation of public and private credits, the new reserve system would have gone along to perfection within the required period; but in view of

the existing situation and the exigencies created thereby it has been thought desirable that the act should be amended as here contemplated in order that we may immediately strengthen these regional reserve banks.

INCREASED FACILITIES.

As originally planned, the system was to begin with a capital of but \$18,000,000 and reserve funds of \$250,000,000. At the end of the three-year period the capital is expected to reach \$54,000,000 and reserve funds \$684,000,000. You can thus readily see the vast difference in the strength of these 12 regional banks at the end of three years as compared with their initial year. The purpose of this bill is immediately to increase—to immeasurably amplify by contrast—the credit facilities of these great reserve banks, so as to render them capable of dealing effectively with exigent difficulties which could not have been foreseen.

There can be no question that it is desirable to do this. Not only does the somewhat alarming situation in the South suggest the necessity for strengthening the Federal reserve system at once, but the general situation in the whole country seems to demand it. Were member banks of the system to act on the permission granted by this bill to transfer their impounded reserve funds to the regional reserve banks, such a course would disturb in no degree the facilities of member banks to transact business, but would add an additional loaning power of \$700,000,000 to the regional banks.

I would not favor this practice as a permanent thing, nor would the House committee; hence we have proposed it as a temporary relief, for a period of three years.

A FRIGHTFUL RESPONSIBILITY.

I have a particular purpose in stating specifically what effect the passage of this bill will have on the cotton and tobacco situation of the South, because it has repeatedly been intimated in discussion that I am not sufficiently moved by the distress of my own people. Mr. Speaker, it is on this bill that I have relied to relieve that distress, and if obstructive tactics shall bring about its defeat, those guilty will have assumed a frightful responsibility, for not only is this bill sure to pass if submitted to a vote of the House, but is certain to be approved by the President. Thus it is a measure of real and certain relief, and no theatrical illusion, designed to deceive those not behind the scenes.

\$396,000,000 OF NEW CREDITS.

I subjoin a table which shows at a glance what will be the strength at the start of the five regional banks which will be in intimate business contact with the cotton and tobacco growing States, and what would be their immediate strength should this bill be enacted into law:

District.	To be deposited in Federal reserve bank.	Vault reserve required.	Present loaning power.	Additional loaning power if law amended.
No. 8 (St. Louis)...	\$10,678,053.87	\$15,323,311.80	\$26,700,000.00	\$38,400,000.00
No. 10 (Kansas City).....	9,683,494.12	21,234,343.82	24,200,000.00	53,000,000.00
No. 11 (Dallas)....	5,834,367.84	13,325,673.36	14,500,000.00	33,300,000.00
No. 5 (Richmond)...	7,921,596.59	17,930,330.66	19,800,000.00	44,800,000.00
No. 6 (Atlanta)....	4,614,480.40	10,846,469.89	11,500,000.00	27,100,000.00
Total.....	38,731,992.82	78,660,129.53	96,800,000.00	196,600,000.00

With the increased facilities thus afforded to the five regional reserve banks in immediate business contact with the cotton and tobacco growing sections and the increase of facilities to the other regional reserve banks in various parts of the country doing business incidentally with the South, it is estimated that the passage of this bill and Senate bill 6398, now ready to be voted on, would increase the credit facilities to the South in this exigency to an extent approximating \$396,000,000. Of course, the bills would afford vastly increased facilities to business of all kinds in all parts of the country. In brief, this particular bill would give the regional reserve system immediately a large part of the facilities that otherwise would only be afforded after a period of three years, unless this bill should be passed.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. SHERLEY. How much in gold would it take from the banks that form a part of the system?

Mr. GLASS. Theoretically, about \$400,000,000; but for practical purposes it would not take a dollar of gold from the member banks, because the member banks would count their transferred reserve as if it were gold in their own vaults, and the regional banks would likewise use the fund in extending credits.

Mr. SHERLEY. I understand; but I am asking how much actual gold it takes from the local banks, not what they count in place of it.

Mr. GLASS. The figures are given approximately in a table inserted in the report of the committee, and I have just indicated the effect of the proposed alteration on the five regional reserve banks in the South.

GREAT RELEASE OF RESERVES.

In addition to this special aid which the passage of S. 6505 would afford the regional reserve banks doing business with the South, the great release of reserve funds in all the national banks of the country will tremendously expand credits in the South. That this may clearly be understood by those who entertain a real anxiety to help the situation, I present a statement showing reserves held by national banks in the 12 Federal reserve districts, as of September 12, 1914; also showing the reserves required under the present law, the reserves required under the Federal reserve act, the reserves held in excess of the amount required under the old law, and the reserves in excess of the amount required under the Federal reserve act.

District No.—	Total reserve held by banks Sept. 12, 1914.	Total reserve required under present law.	Total reserve required under Federal reserve act.	Reserve held Sept. 12, 1914, in excess of amount required under old law.	Total reserve held Sept. 12, 1914, in excess of amount required under new law.
	Millions.	Millions.	Millions.	Millions.	Millions.
1 (Boston).....	128	110	76	18	52
2 (New York).....	364	388	281	—24	83
3 (Philadelphia).....	175	153	105	22	70
4 (Cleveland).....	154	144	95	10	59
5 (Richmond).....	64	64	43	—	21
6 (Atlanta).....	38	43	24	4	14
7 (Chicago).....	228	203	140	25	88
8 (St. Louis).....	55	55	37	—	18
9 (Minneapolis).....	91	78	48	13	43
10 (Kansas City).....	109	85	52	24	57
11 (Dallas).....	53	42	28	11	25
12 (San Francisco)....	117	104	67	13	50
Total.....	1,576	1,460	996	116	580

A SPLENDID RECORD.

In view of this marvelous record and these heartening facts, in conjunction with other things accomplished, can it fairly be charged that there is no available relief for the situation in the South? Why, sir, this Congress and this administration are entitled to praise for what has been done and is now reasonably proposed rather than censure for omission. Let us sum up:

Reserves released and available for new credits under the Federal reserve act, \$464,000,000, of which the five regional reserve banks doing business immediately with the South will have.....	\$96,000,000
Emergency currency facilities made available under S. 6398, as amended.....	150,000,000
Additional facilities under S. 6505, as amended.....	196,000,000
Incidental credit facilities under general release of reserves.....	85,000,000

Total increased credit facilities for the South..... 437,000,000

Furthermore, as pointed out by the Secretary of the Treasury, there is held by the national banks of the Southern States \$16,065,000 of regular Government deposits and, since August 1, 1914, \$11,337,500 of crop-moving deposits, making a total of \$27,402,500.

Thus the Treasury Department has issued to national banks in the Southern States since the outbreak of the European war—

Additional national bank notes.....	\$68,000,000
It has deposited with national banks in the Southern States during the same period crop-moving funds aggregating.....	11,337,000
It has on regular deposit with national banks in the Southern States.....	16,065,000

Total..... 95,402,000

Aside from this the Secretary of the Treasury has authorized the issuance, since the outbreak of the European War, to national banks throughout the country, additional national bank circulation aggregating \$348,795,210, a large part of which found its way to the South, New York City national banks alone lending to southern banks more than \$40,000,000.

In the face of this impressive exhibit, Mr. Speaker, showing that this Congress and a Democratic administration have afforded and tendered additional credit facilities to the South aggregating about \$600,000,000, I am amazed that there are gentlemen on this side who seek to have it appear that nothing has been done for that section!

HUMBUGGING TOBACCO PLANTERS.

Just a few words more, Mr. Speaker, and I am through. At the expiring hour of Congress, after repeatedly having their attention called to the omission, the proponents of this measure have tagged on tobacco as one of the two products upon which loans may be made; and I am reminded here that this measure is designed to help my people in Virginia. I want it distinctly understood that I would not compromise my intellectual integrity by voting for a measure which I regard as utterly vicious and unsound, even if I could think that it might in some way confer a special advantage upon my constituents. My vote can not be secured for this unsound proposition by any such bait. The tobacco growers of Virginia would never get a dollar under this bill; but, whether they would or not, I would not do violence to my judgment and my conscience by voting for a proposition which, in the end, would immeasurably add to their present distress by the inevitable impairment of public confidence, a stupendous constriction of commercial credits, and the consequent ruin to every description of business throughout the country.

BELATED SOLICITUDE.

Tobacco is in this latest-revised scheme, Mr. Speaker, merely as a last desperate expedient to get votes here for a doomed proposition, and not through any anxiety of the gentleman from Texas [Mr. HENRY] for the tobacco planters or eagerness to help them. His first bill of relief was presented as long ago as August 6. In the interval between that date and this day the gentleman eight times altered his program, never once seeking to remedy the distress of the tobacco industry, but confining his benevolent attention to the cotton situation exclusively. Time and again this omission was pointed out; but never did the gentleman evince the least concern for this great domestic and export product which pays the Government millions of dollars annually in internal taxes and affords subsistence for hundreds of thousands of people.

In his first bill of August 6 the gentleman from Texas ventured to take care of "corn, wheat, and oats," as well as cotton, *but not tobacco*. In his bill of August 28 he again carefully excluded the tobacco grower from his paternalistic consideration. In his bill of August 31 he made "wheat, corn, oats, tobacco, and food products," as well as cotton, a basis for the distribution of Federal reserve notes to States producing these crops for export; but he very adroitly provided that these notes should be loaned *only to cotton planters and not a dollar to grain and tobacco growers*. Then on September 3 the gentleman from Texas gave birth to another bill to help the cotton planter exclusively, and on September 22 still another bill; *but never a suggestion of relief in any of them for any farm product but cotton*. Altogether there were eight of these remarkable bills; but not until the last moment was it sought to write "tobacco" into the law, and then with no guaranty whatsoever of a profitable price for the product, as in the case of cotton.

ATTENUATED BAIT!

It is with this attenuated bait, this utterly transparent pretense, in the very closing hours of this congressional session, that the gentleman maneuvers to get support for his eight-times revised remedy for a situation that demands serious action and not a series of dress parades! He would valorize cotton at 12 cents per pound, next at 10 cents, then at 8 cents, and finally at a pitiful 6 cents; but never, until the last stages of legislative effort, would he aid tobacco at all; and then he fails to accord it the advantage of a profitable market price. I frankly suspect it was imagined that this belated legislative postscript might moderate hostility to the main scheme or bring it some support; but I take leave to say that the snare is too plainly visible to catch any Member from a tobacco-growing State who is not willing to presume upon the credulity of his constituents, or not too simple to detect the futility of the enterprise. I represent one of the largest tobacco-growing districts in Virginia, and I am not going to affront the intelligence of my people by asking them to believe that they could get one particle of relief from this magical financial formula.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Speaker, I recognize that the temper of the House at the present moment is such that an intelligent discussion of this bill can not possibly be had. I may be mistaken in my estimate of the character of this bill, but to my mind this is the most important bill that has come up for the consideration of this Congress since the passage of the tariff bill and the currency bill. Briefly, what does the bill propose? I take it that in the rush of other matters few of you have studied this bill. Under the Federal reserve act we

decreased the reserve requirements of the banks of the country. We decreased them to that point where conservative men thought we came very near the danger line. Of course, it was contended that the decrease of reserves released money that was held in the vaults of the banks and thereby expanded the legitimate credits of the country. That, of course, could be the only justification for the abnormal and extraordinary decrease we made in the reserve requirements of the banks of the country. I do not at the moment recall, nor have I the figures present, but the amount of decreased reserves provided by the Federal reserve act, or rather the lowering of reserve requirements, amounted to a credit extension that was extraordinary, and could be justified upon no other theory than that it was legitimately needed for the expanding commerce of the country.

But even in the Federal reserve act we recognized the fact it was absolutely necessary to still require the country banks to carry a sufficient reserve which the experience of those banks has shown was necessary to meet their demand obligations, that of their depositors, of course, being the primary one. Now, by the bill which is under consideration you propose to say that instead of requiring those banks to keep a certain amount of reserve money in their vaults that they may, with the permission of the Federal Reserve Board, take every dollar of reserve out of their vaults and deposit them in the regional reserve banks.

Now, gentlemen, I want you to get that fact. This bill is intended, and frankly intended, so the committee say, admitted by Mr. Warburg and those gentlemen who appeared before the committee, to take the reserve money from the country banks and concentrate it in these regional reserve banks. Not simply the reserve provided to be deposited in those regional reserve banks, but the last dollar, if thought best, that was required to be kept in the vaults of the member banks might be moved under this act and put in the vaults of the regional reserve banks. But it may be said that these banks certainly will not rob themselves of the necessary reserve. Well, you gentlemen understand what the power of the Federal Reserve Board is. Mr. Warburg appreciates the power, and in his testimony before the committee very frankly admitted that it made very little difference whether they left the power with the member banks or with the Federal Reserve Board. He said if you left the power with the banks, the board could bring sufficient pressure to bear upon the banks to make them do this if the Federal Reserve Board wanted them to do it. Now, gentlemen, will that pressure be brought to bear? I do not believe there is any doubt the point of view of the Reserve Board is such that they think that it is absolutely necessary to draw from every bank in the country the lawful reserves for the purpose of mobilizing them in the regional reserve banks.

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. I yield five minutes additional to the gentleman.

Mr. WINGO. The object of the Federal Reserve Board, frankly stated, and frankly stated in the report of the committee, is to start these banks out with the same amount of gold that they would have at the end of the three-year period under the Federal reserve act. Now, they will start out with \$251,800,000 of gold reserve. You pass this act and they will start out with approximately \$700,000,000 of gold reserve.

The statement was made at one time, and I think it is true, that if you pass this bill there will not be enough lawful money left in the vaults of the country banks to "wad a shotgun." I am not an inflationist. The House will remember when we had the Federal reserve act under consideration an amendment was pending to amend the banking laws so as to make a sixth exception as to the limit of the liability of national banks, and I at that time protested against the inflation involved in that. What is the inflation involved in this? The gentleman from Virginia [Mr. GLASS] says that it will afford \$500,000,000 additional credit facilities to the South. I wish I could hope that would be true. In the same breath yesterday though he charged the banks in the South with having facilities to get emergency currency to the extent of a hundred and fifty-odd million dollars which they were not now using. Why do they want to drain the country banks of all these reserves? Why do they want to increase the danger which is set forth in this report, which partly reads as follows:

When the Federal reserve act was framed it had for its purpose the gradual concentration into 12 Federal reserve banks of the scattered gold reserves held by many thousand banks and the gradual elimination of balances kept as reserves with reserve agents in reserve and central reserve cities. This plan of gradual development was adopted for two reasons: First, because a rapid withdrawal of all reserve balances from reserve agents would have created a dangerous disturbance; and second, because it was thought that elasticity should be added step by step only to our present system lest it should stimulate too rapid expansion.

I submit there is just as much danger in taking all at once over \$400,000,000 of reserve money from the banks of the country and mobilizing it in 12 reserve banks as there is to take a smaller sum at once from the banks in the central reserve cities and deposit it in those same banks. What is the cry now at crop-moving time. Is there not now a great demand for money in the country banks? But what is the object of this bill? Any of you gentlemen who have read the newspapers recently understand what the real object of this bill is. Any of you gentlemen who have heard or read the statements of Sir George Paish, who is here now, will understand what the object is.

I picked up the New York World this morning, containing a special from Washington. I will not read it all, because it contains several subjects in reference to the conference of Sir George Paish, who is now here, he says, at the invitation of the Secretary of the Treasury. One of the statements is this:

The problem would be vastly simplified if some way could be found for getting the cotton crop into the hands of those who will need it.

Now, gentlemen, I think that the real opposition to cotton legislation is not predicated upon a fear of inflation, but I think it is predicated upon the mad desire of those who are anxious to meet their obligations in Europe. Sir George Paish says we owe England \$250,000,000, I believe it is, and he says that they want cotton or cash. If they can get the cotton, they would rather have it than gold. He is very frank about saying so. I say I believe the opposition in some quarters to affording cotton relief is predicated not upon the fear of inflation, but because our cotton is wanted at sacrifice prices at which to settle this gold demand from Europe.

Now, if they do not get our cotton, they frankly and sincerely believe it is necessary to get what gold you can into these regional reserve banks, so that they can supply that gold and settle these obligations in Europe. Whether that be wise or unwise, I shall not undertake in a limited time to discuss.

What is the inflation in this bill? It is frankly admitted in the committee report it will increase the gold held by regional banks \$400,000,000. The basis of issuance of Federal reserve notes is 40 per cent reserve, or \$2.50 note issue to \$1 of gold. With the \$400,000,000 additional gold drained from the country they can, if they wish to do so, issue one billion additional of Federal reserve notes. Of course that is theoretical. It will not all be paid in gold, but it will be paid in an equivalent that can force gold from the Federal Treasury on demand.

Mr. KORBLY. The inflation would involve the amount of commercial paper that might be with the gold.

Mr. WINGO. Oh, I agree that there is never inflation of currency as long as you have actual existing value back of paper money. There would be no inflation in taking care of the cotton crop, because you would have back of that currency an actual existing value which would bring the gold, and those who demand gold from us say now that they would rather have cotton than gold. As long as you have actual value back of the instrument there is not much danger of inflation. Do not let any gentleman say that it is to help the South. The object of this bill is to draw from the country banks in Minnesota, Nebraska, Illinois, Tennessee, Arkansas, Texas, and the other States their lawful money in order that these gold obligations can be settled, as we are advised by newspaper report, under some plan that is to be devised and approved by the Federal Reserve Board.

The SPEAKER pro tempore (Mr. FITZGERALD). The gentleman's time has expired.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PAYNE].

The SPEAKER pro tempore. The gentleman from New York [Mr. PAYNE] is recognized for five minutes.

Mr. PAYNE. Mr. Speaker, I am opposed to all these schemes to weaken the security of the currency of the country. I refuse to get into a panic over the cotton situation, so that I am not willing to take the risk of running riot in currency that will have to be settled for at some time if the desires the gentlemen have expressed in various matters and various bills before Congress are acceded to. It was well said by the gentleman from Pennsylvania yesterday that the South met a harder proposition right after the Civil War, not only in reference to cotton, but all the other industries of the South. They went after that question with courage and manliness and hard work, and solved it among themselves, without getting any weakening of security or any inflation of currency. They met it in the regular legitimate way. Since then there has been prosperity in the South. Cotton has doubled and trebled in price.

Mr. GLASS. May I interrupt the gentleman from New York?

The SPEAKER pro tempore. Will the gentleman from New York yield to the gentleman from Virginia?

Mr. PAYNE. Yes.

Mr. GLASS. Would the gentleman from New York characterize as inflation—

Mr. PAYNE. I have looked over the gentleman's report, and I find the object is to realize in some way money to be used in the cotton situation in the South.

Mr. GLASS. Would the gentleman characterize as inflation a credit basis upon a gold reserve of 40 per cent and a secondary commercial-paper reserve of 100 per cent? Would the gentleman call that inflation?

Mr. PAYNE. I do not know what that has to do with the question I am trying to discuss.

Cotton has advanced two to three times in value since then, taking into consideration the cotton seed and the value that is attached to that. And I have no doubt the people of the South are thrifty. I do not speak of the negroes. I speak of the white classes of the South. They certainly ought to be. They ought to be forehanded. They ought to have money. Now, it is said that the negro will use up his income every year when he gets it, no matter how large or how small it is. I understand the system is that they let them have some land, and they go to work and cultivate the crop and get a share of it. But men who own the land have to finance them every year. I can not see any other way in which to do it. I have been told by gentlemen holding seats in this House that cotton is a profitable crop at 7 cents a pound—a good, profitable business. In the last five years it has averaged 12 cents a pound all over the South. I know it is not so in some of the old barren lands that have to be fertilized at great expense, but in lands that do not have to be fertilized, and the biggest part of the crop is raised on land that does not have to be fertilized, that is the case. I do not think they are in such panicky condition as politicians would make us believe. I think they can go ahead now and take care of themselves. They have not any harder proposition to meet than some of my own people have who are engaged in various kinds of business. They do not require any more money.

Why, we passed this Federal reserve act. It was compiled largely from a study of 21 years, I understand.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. PAYNE. I would like to have five minutes more.

Mr. MANN. I yield to the gentleman five minutes more.

Mr. PAYNE. It was a good act when it was passed. I said so then and I say so now. It depends largely on the way it is administered by the Federal Reserve Board. When a disposition was made to establish localities for regional reserve banks I did not like the way the two Secretaries and the comptroller performed their tasks. I thought they had opened up difficulties in the way of carrying out the act according to the intention of it and making it a success. I think they put reserve banks where they ought not to be. They did not put them in the line of ordinary business, in centers where the ordinary business was done, but moved them away from those centers.

They made it a necessity for banks, many of them, to keep accounts in two centers—one of the centers where they did their business and one in the regional reserve center. It served to tie up money. I think it ought to be corrected now; it is not too late. I think we ought to carry out the act as was the original intent of it, as it was studied and thought out and even modified, by gentlemen who are experienced in the banking business in the various large money centers of the United States.

It is time enough to get back onto that now. But do not let us inflate the currency any more. Why, you have added \$300,000,000 already, within the past two months. You are liable to add more. If these schemes all pass, no man can say where the end will be.

It is true the House cut out the other day this \$250,000,000 of greenbacks that nearly a majority of the House wanted to issue. Now do not under a panic destroy really the only good law you have passed during these 18 months of Congress.

Mr. KORBLY. Mr. Speaker, will the gentleman yield?

Mr. PAYNE. Yes.

Mr. KORBLY. Will the gentleman explain how it happens that the State of Illinois requires no reserves at all and thereby prevents inflation?

Mr. PAYNE. Well, I do not know whether the State of Illinois requires any reserves or not.

Mr. KORBLY. It has no fixed requirement.

Mr. MANN. Will the gentleman from New York yield, so that I can find out from the gentleman from Indiana [Mr. KORBLY] how much currency the banks of Illinois issue?

Mr. KORBLY. The gentleman from Illinois very well knows that the banks of Illinois issue no currency; and the gentleman from New York knows that this bill is not intended to provide for an increase of currency in any sense at all.

Mr. PAYNE. It provides for currency to pay the debts of the bank—currency or otherwise. That is what it provides for, and you propose to allow it all to go out of the vaults of the bank, where you want it to redeem the debts of the bank, or redeem the notes. I did not think the gentleman referred to State banks or I could have answered his question very readily, and I know and he knows and everybody knows that they can not issue any currency.

Mr. KORBLY. But they issue credits.

Mr. PAYNE. Well, every bank issues credits, of course, but they do not issue credits all payable at the same moment. They issue credits payable on the average at stated times. They prepare for it at stated times; but when you come to currency, it is liable to be demanded any minute, and you can not prepare for it; and if demands are made and you have calls for deposits, why then there is a panic, and the bank, although solvent, will have to go into liquidation.

Now, gentlemen, do not under a panic in these last days of the session, in trying to do something to alleviate the fears and the anxiety of these politicians, no matter what section they may come from—do not in the days of a panic try to destroy the best bill you have passed, and I think the only good bill you have passed, during this session of Congress. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired. The gentleman from Illinois [Mr. MANN] has 9 minutes remaining, and the gentleman from Indiana [Mr. KORBLY] 22 minutes.

Mr. MANN. How much time have I?

The SPEAKER pro tempore. Nine minutes.

Mr. MANN. Is the gentleman from Virginia [Mr. GLASS] going to use any of his time?

Mr. GLASS. There will be only one speech on this side.

Mr. MANN. Mr. Speaker, I regard this as a very important measure to defeat. I think its passage into law would be likely to largely destroy the credit of all the small banks of the country. It would be a notice to every depositor in every bank that the bank reserves were taken away from the banks. It would be a notice that the banks would not be very likely to pay currency on demand.

Now, in the Federal reserve law which we passed we were very careful, following a time-honored attitude of Congress, not to take away from the small banks, or even the large banks, all of their real reserve, and we required that a certain portion of the reserve should be kept in the vaults of the banks. In the country banks—

Mr. KORBLY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Illinois yield to the gentleman from Indiana?

Mr. MANN. No; not unless you give me the time.

Mr. KORBLY. I have not any time.

Mr. MANN. Then I will not yield. I did not restrict the time. I have not the time.

In the country banks 12 per cent of the deposits are required to be kept as reserve, and 5 per cent of time deposits, but practically 12 per cent; and we required that for the first 36 months 5 per cent should be kept in the vaults of the banks, and after the first 36 months 4 per cent of the reserves should consist of lawful money, kept in the vaults of the banks. We provided that 2 per cent of the reserve must be deposited in the Federal reserve bank, and we left to the country bank the option of depositing the other 5 per cent with the Federal reserve bank or with a reserve city bank, I believe, or keeping it in their own vaults.

The country banks now have an option on more than one-third of their reserves, but they are required to keep 5 per cent in their vaults. Why? In order that people may have confidence in the bank, confidence that it has some money. The moment that you advertise to the country that a bank does not have to keep any money on hand, it is rather difficult for it to acquire the confidence which is necessary in order to obtain deposits.

We did the same thing with respect to the reserve city banks. We required that they should keep 6 per cent out of 15 per cent reserve in their vaults. That is, the reserve city banks are required to have 15 per cent of their deposits as reserve, and 6 per cent of that under the law must be kept in their own vaults, and the large central reserve cities are required to keep 18 per cent reserve, of which 6 per cent must be kept in their vaults. That is not a very onerous requirement for safety, that in making these transfers to the Federal reserve bank the banks

shall keep some money in their own vaults, and when they run below that it is their business to require some lawful money to be kept on hand as a reserve.

Now, this proposition is to absolutely do away with those requirements. Under this proposition no bank is required to keep any money on hand at all. It would be required to have the reserve just as it is now, but it does not need to keep any of it in its own vaults. It may deposit it all in the Federal reserve bank, while under the bill in form it is left optional with the banks. As stated by the gentleman from Arkansas [Mr. Wingo], it is the announced intention of the Federal Reserve Board—and I think I do not do injustice to the Federal Reserve Board when I say that Mr. Warburg constitutes the board—it is the announced intention of the Federal Reserve Board to bring pressure to bear upon these banks throughout the country to force them to deposit all of their reserves in the Federal reserve banks.

In other words, while the country banks all over the country will be required otherwise to keep some money in their vaults, it is the purpose of this bill to authorize the Federal Reserve Board to have the power, which they intend to exercise, to force all the legal money of the country to be transferred to 12 cities in the country. Of course that is pyramiding reserves, because the Federal Reserve Board banks are not required to keep this money on deposit. They are required to keep only 35 per cent of it on deposit; and while a country bank now keeps 5 per cent of legal-tender money as reserves under the Federal reserve law, under this bill it will deposit that 5 per cent in the Federal reserve bank, and that bank will keep only 35 per cent of that, so there will be less than 2 per cent of real money kept there. Now, you can go on pyramiding reserves, in the way of inflation, for a long time, sometimes, but in the end you meet the crash. Why, gentlemen seem to think that getting more money out, or making a gold basis so that you can take in more securities, will add to the comfort of the people. We have issued \$300,000,000 or more of emergency currency within the last two months, and meanwhile credit is steadily going down; and if you pass this bill and it becomes a law at the time when you are changing the system of handling money—from the banks to the Federal reserve banks—the result will be that the depositors of the country will go to their banks and ask for money and money will not be obtainable, not even the emergency currency. There is not the possibility of printing the emergency currency or Federal reserve bank currency to meet all of the demands of the country without credit, and credit is destroyed when people are afraid they can not get their money from the banks.

Mr. KORBLY. I should like to have the gentleman yield to me a minute to ask him a question.

Mr. MANN. I shall be very glad to yield.

Mr. KORBLY. Will the gentleman explain how it is that the State banks of Illinois manage to have on hand enough money to meet their demand obligations from day to day, when the State of Illinois has no fixed reserve requirements?

Mr. MANN. I can explain it very easily. There is not a State bank in Illinois that does not either keep on hand a large reserve in its vaults or keep on hand in the vaults of the national bank next door a large reserve of cash.

Mr. KORBLY. Not under the law of the State.

Mr. MANN. The gentleman does not know either the law or the facts in Illinois, and I know both.

Mr. KORBLY. The law of Illinois does not require a fixed reserve, and the gentleman knows I am right about it.

Mr. MANN. It does not make any difference what the law of Illinois requires. No bank can live there at all, no bank can obtain credit, unless the people know that it has a reserve in its own vaults or in the vaults of the national bank next door.

Mr. KORBLY. Then the people of Illinois are willing to trust the Illinois bankers to take care of that situation.

Mr. MANN. The people of Illinois have been trying for a long time to amend the banking laws of Illinois, but I regret to say they have not been very successfully amended up to date. But the solidity of the State banks all over the country depends largely upon the reserve requirement as to the national banks. The people know that the national banks are required to keep some money in their vaults, and they are all correspondents of the State banks. You propose now to fix it so that neither the State banks nor the national banks shall have any money. All they will have will be the right to call on somebody else for money. That will not meet the situation. If you pass this bill, you will regret it. It will not aid the South. Of course, the gentleman makes the plea that it will aid the South. The purpose of this bill, in the first place, was to take care of the stocks and bonds which the Federal Reserve

Board was afraid were going to be dumped on this country from Europe, and that may be a legitimate reason for desiring it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GLASS. Mr. Speaker, I think the gentleman from New York [Mr. PAYNE] has a total misconception of this bill if he thinks it was designed exclusively to aid the South, and I was very unhappy in my presentation of the matter if I produced the impression that it was so designed. We have just had presented some remarkably inconsistent criticisms of the bill, the gentleman from New York [Mr. PAYNE] saying it was designed to aid the South, which should work out its own salvation, and my friend from Arkansas [Mr. WINGO] contending that it will not aid the South, but was primarily designed to supply the gold demands of New York bankers, to enable them to meet their European obligations. As a matter of fact, the bill was not designed to aid exclusively any section of the country. It was reported by an almost unanimous vote of the Banking and Currency Committee, the member of the committee from New York voting for it. I merely pointed out the fact that it would aid the cotton credits of the South to pass this bill, which is not a currency measure, but a banking measure. The South already has ample currency. What it needs is extended credit facilities.

Mr. SHERLEY. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. SHERLEY. I do not want to embarrass the gentleman, and if he had rather I would not I will not interrupt him.

Mr. GLASS. It is no embarrassment to be interrupted.

Mr. SHERLEY. I simply wanted to ask the gentleman the question if his currency is not predicated upon a credit basis?

Mr. GLASS. That is true; but credit not always or largely on a currency basis.

Mr. SHERLEY. If you get credits unwisely extended, do you not to that extent impair the solvency of the currency that is based upon it?

Mr. GLASS. That is true; but I think the credit basis here proposed is not, under the circumstances, unwise.

While I am entitled to be acquitted of ever having introduced politics into the discussion of banking and currency topics, I think I have occasion just now to congratulate the country, if what my Republican friends have said about this bill is true, that it escaped a Republican currency system. I will remind the gentleman from Illinois [Mr. MANN] and my friend from New York [Mr. PAYNE] that the Monetary Commission, dominated by Senator Aldrich, of Rhode Island, appointed by a Republican Vice President and a Republican Speaker of this House, not only proposed to permit the banks to divest themselves of all reserve funds and to deposit them in one single central bank, but it went desperately further and provided that the notes of the central bank might be used by individual banks for reserve, thereby affording possibilities of inflation amounting to the enormous sum of \$6,000,000,000. They proposed these things not as temporary expedients, as we propose this for a period of three years to meet an exigency, but as a permanent part of our national banking and currency system. If we are suggesting inflation, in heaven's name what would you call the thing proposed by this Republican Monetary Commission?

Mr. Speaker, I reserve the balance of my time in order that we may vote on the amendment.

The SPEAKER pro tempore (Mr. SHERLEY). The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 11 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph: "The Federal Reserve Board shall have power to permit member banks to carry in the Federal reserve banks of their respective districts any portion of their reserves now required by section 19 of this act to be held in their own vaults."

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WINGO. Mr. Speaker, do we consider the bill for the purpose of amendment by paragraph or by the whole section?

Mr. MANN. Mr. Speaker, I ask unanimous consent that the whole bill may be read and be subject to amendment.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the entire bill be read for amendment. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will read.

The Clerk read as follows:

That section 16 of the Federal reserve act is hereby amended by adding at the end thereof the following paragraph:

"The Secretary of the Treasury is hereby authorized to devise and put into operation a system of clearances of national bank notes between the Treasury, the Federal reserve banks, and the member banks,

and for that purpose to designate Federal reserve banks as agents of the United States."

First committee amendment:

"Page 1, line 3, strike out the word 'eleven' and insert in lieu thereof the word 'nineteen.'"

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The question is on agreeing to the committee amendment.

Mr. MANN. Mr. Speaker, I would like to ask the gentleman from Virginia why the number of the section should have to be changed from 11 to 19. It seems to me that anyone reading the Federal reserve act ought to have been able to read the act correctly, so as to get the correct section that is to be amended.

Mr. BULKLEY. Mr. Speaker, I think I can explain that in a moment. The bill as it passed the Senate provided that the Federal Reserve Board should have the power to permit the banks to make this shift in their reserves. Being an additional power to be given to the Federal Reserve Board, the Senate proposed that it should be added to section 11, which deals with the powers of the Federal Reserve Board. The House Committee proposed an amendment striking out the discretion of the Federal Reserve Board, and leaving the matter to the initiative of the individual banks, and therefore thought that the matter might be more appropriately added to section 19 of the act, which deals with reserve requirements.

Mr. MANN. Mr. Speaker, it is a peculiar thing that when you come to amend an important act like the Federal reserve act the Senate proposes that the Federal Reserve Board shall have power to permit the banks to do a certain thing, and the House committee proposes that the banks shall have the power to do this same thing. What is the occasion for the amendment at all?

Mr. BULKLEY. Mr. Speaker, if the gentleman will permit, it is the judgment of the House committee that the banks should have the discretion themselves, rather than the Federal Reserve Board.

Mr. MANN. The banks would have just as much discretion under the Senate provision as they would have under the House provision.

Mr. BULKLEY. I think not.

Mr. MANN. Let me see whether they would or not. The Senate provision was that the Federal Reserve Board should have the power to permit the banks to do a certain thing. That is not any different from our saying that the banks shall have permission to do that thing.

Mr. BULKLEY. But suppose the Federal Reserve Board should refuse to permit them to do it, then what discretion would the banks have?

Mr. MANN. They would not have any.

Mr. BULKLEY. Under our provision they would have complete discretion, whether the board permitted it or not.

Mr. MANN. The banks ought not to have the power to take the money out of their vaults and deposit it in the Federal reserve banks, and certainly not unless the Federal Reserve Board approved of it.

Mr. BULKLEY. Then the gentleman disagrees with the judgment of the committee on a matter of policy; but the subject matter of the amendment is so changed by the House committee amendment that it should be attached to another section of the act, and that is why the number of the section is changed.

Mr. MANN. I do not see any reason for the amendment yet. The gentleman may have given a very good reason, but I have not seen it. Of course I am opposed to either provision, but I would a good deal rather the Senate provision prevailed than the House provision. Under the Senate provision there was at least an additional safeguard, that the taking of all of their money out of their own vaults was not to be permitted unless the Federal Reserve Board by regulation permitted it. You let every country bank take the money out—have no legal tender of any kind in its vaults.

Mr. SHERLEY. Mr. Speaker, I shall not attempt to delay the House by any lengthy statement, even were it permissible under the rule, touching this bill, but I can not give my consent to it because I am unconvinced that there is any need for the issue of additional currency or additional facility for credits at this time, and the real purpose of this bill must be that. One of the reasons that it is desired to get the gold or lawful money out of the member banks into the regional reserve banks is that 65 per cent of it may be made the basis for the issue of additional currency. Now, I agree thoroughly with what the gentleman—

Mr. KORBLY. Will the gentleman yield?

Mr. SHERLEY. For a moment.

Mr. KORBLY. The deposit with the Federal reserve banks would be used for the creation of an account against which the member bank could check.

Mr. SHERLEY. I understand; but the Federal reserve banks could not issue currency on that sum unless it was there—could not issue currency against it if it was in the member bank instead—

Mr. KORBLY. It could not create a checking credit, either.

Mr. SHERLEY. I understand they check against it, and to that extent it may not be left to the regional reserve banks for the purpose of currency; but one of the reasons for this bill is to give an enlarged basis for the issue of currency. Is not that true?

Mr. KORBLY. No.

Mr. SHERLEY. I put it to the gentleman, is not the purpose of this bill to give to the Federal reserve banks a larger sum of lawful money or gold that may be made the basis for the issuing of additional currency?

Mr. KORBLY. No.

Mr. SHERLEY. What is the purpose?

Mr. KORBLY. It is for the purpose of enabling them to further extend credits.

Mr. SHERLEY. How do they extend credits? They may extend them by issuing the currency.

Mr. KORBLY. They also may do it by establishing a credit or deposit account against which the member bank may check.

Mr. SHERLEY. But they can only give credit on the basis of this money which is placed there.

Mr. KORBLY. They can take the gold and use it as the 40 per cent of the reserve required against the outstanding demand obligations. This demand obligation is not a note—not a Federal reserve note. The member bank gets credit for 100 per cent of the value of commercial paper, provided the Federal reserve bank has 40 per cent gold in its vaults.

Mr. SHERLEY. Unquestionably; but when it comes to paying the credit that has been given to the banks they have to pay through the notes they issue or the actual money they have there. Now, the gentleman in charge of the bill has repeatedly stated that the purpose was to enable the increase of currency that might be issued, or I so understood him.

Mr. KORBLY. I want to say for my part, and I think I am saying it on behalf of the chairman of the committee, that he expressly denies having said that, and he does not want to be understood as saying this bill has expansion for its purpose. The bill purposes greater credit facilities and not necessarily current credit facilities, otherwise called Federal reserve notes.

Mr. SHERLEY. Whether that be the purpose, that is not the result. The result would be to increase the power of the Federal reserve banks to issue currency and place this reserve in their banks instead of the member banks. Now, what I desire to say to the gentleman from Indiana is this: It is true that you may have a sound bank without the requirement of any reserve, but the reason we have reserve requirements is to compel, at least to the extent of the reserves sound banking—

Mr. GLASS. I would like to ask the gentleman if it is not a fact that there is no legal requirement of reserves in England or in Canada?

Mr. SHERLEY. I will say to the gentleman frankly the need of a reserve depends a good deal upon the character of a people. Now, the character of the American people is and always has been such as to make their banking go to a point sometimes of extreme danger. I do not consider that it is desirable to give to the banks, without any check such as a reserve placed upon them, the power to go ahead in what they may conscientiously believe to be a proper and safe giving of credits. The danger in America right now, as a result of the war, is not so much dear money as it is that we will go into an era of loose credits, where money will be loaned on inadequate security and where your currency, based as it is in a measure upon credits, will be weakened by the very character of the credits that have been granted.

Mr. GLASS. For that very reason, Mr. Speaker, I do not believe the English or Canadian system could be wisely applied to the United States, and for that very reason I believe in a fixed legal reserve requirement. I agree with the gentleman that it has a tendency to restrain, and because of that we included it in the Federal reserve act—

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. I ask unanimous consent that the gentleman from Kentucky have five minutes additional.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. SHERLEY. In answer to the gentleman, I simply say this: The very reason that it is considered necessary to pass

this law now, to do away with the reserve requirement, is because the authors of the recent banking laws believed that a reserve is a desirable thing.

And the very indication that it is still the opinion of the distinguished chairman is the fact that he has put a limitation upon the life of this very provision that he proposes to enact into law.

Mr. GLASS. As a matter of fact, the chairman of the committee, as a member of the conference committee, threw out the Senate proposal to make this a permanent provision of the reserve act, and the chairman of the Banking and Currency Committee is now opposed to making it a permanent provision of the Federal reserve act. This is simply a temporary expedient, and it does not do away with reserves. It simply transfers reserves from one point to another.

Mr. SHERLEY. I understand; but the gentleman's statement narrows the question right down, and there is where I wanted to bring it. Is there such a condition in America now as to warrant us in disregarding what we believe and what the gentleman states he believes as to the wisdom of the present law in keeping the reserve in the member banks? That is the concrete situation with which this House is confronted. Your danger is not that you will not be able to give enough credit, but your danger now in America is that under stress and pressure you will give unwise credit, and I am not willing to lend myself to a medium by which that can be done more easily.

Mr. GLASS. In my judgment there is now a condition in this country which calls for this remedy, and but for that I would not advocate it, even as a temporary expedient. It is the unanimous opinion of the Federal Reserve Board, after carefully considering this proposition, that conditions are such as make such legislation not only desirable but almost essential to enable the Federal reserve system to cope with the situation that now confronts the country.

Mr. SHERLEY. If that be true, how does it square with the statement of the gentleman that the banks have not now taken full advantage of their opportunities under the Vreeland-Aldrich Act?

Mr. GLASS. The gentleman simply confuses the measure designed to amplify credits with a proposition to increase the volume of currency.

Mr. SHERLEY. Oh, no; I do not.

Mr. GLASS. There is no more currency needed in the country, and there is a great deal of credit needed in parts of the country.

Mr. SHERLEY. But the gentleman wants to recognize that a bank having facilities to increase its currency under the Vreeland-Aldrich Act to that extent would have an opportunity to enlarge its credits.

Mr. GLASS. Even if that were so, which I question, I can readily see why a bank that would not take out the Vreeland-Aldrich emergency currency might want to take out the credits permitted to it under this bill.

Mr. SHERLEY. Why, of course; because in one case there is a liability on the bank in the way of interest and in the other there is not.

Mr. GLASS. Still, in the other case there is a gold reserve of 40 per cent required, and a secondary reserve of commercial paper of 100 per cent; not applicable to the emergency currency; and, besides, they pay interest on rediscounts.

Mr. SHERLEY. I understand they pay interest on rediscounts—

Mr. GLASS. And it is within the power of the Federal Reserve Board to initiate such rediscount rates as will make it impossible to inflate the credits or the currency.

Mr. SHERLEY. That may be; but it is possible that the Federal Reserve Board may be infected as the banks may be, as to the character of credit.

Mr. GLASS. I do not think that is likely.

Mr. SHERLEY. In times of stress there is a tendency, particularly among a people constituted as we are, believing in the future of our country, to overestimate the soundness of the collateral on which credit is given.

Mr. GLASS. Then, what does my friend think of the proposition made by the Monetary Commission, under the lead of Mr. Aldrich, when there was no emergency, to not only transfer all the reserves of the banks to a central reserve bank, but to permit the notes of that bank to be used as reserve in the individual banks?

Mr. SHERLEY. I thought it was so bad that I was not willing to support it.

The SPEAKER. The time of the gentleman from Kentucky [Mr. SHERLEY] has again expired. The question is on agreeing to the first amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment. The Clerk read as follows:

Amendment No. 2: Strike out lines 6 and 7, on page 1, and substitute the following: "For a period of 36 months after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in any district as provided in section 19 of the Federal reserve act."

The SPEAKER. The question is on agreeing to the amendment.

Mr. MANN. Mr. Speaker, I did not hear all of the speech of the gentleman from Kentucky [Mr. SHERLEY]. Of course, the purpose of this bill is to increase the amount of gold in the Federal reserve banks, to take it out of the member banks and put it into the Federal reserve banks. There is no controversy about that. The question arose as to whether the effect of it was largely to increase the power to issue Federal reserve notes. I understood the gentleman to say that was not the purpose of the bill.

Mr. GLASS. Yes; but I did not say it might not be the effect of the bill.

Mr. MANN. I understand. The gentleman from Indiana [Mr. KORBLY], with a great deal of éclat, said that the gentleman from Virginia denied that that was the purpose of the bill. Well, the purpose of the gentleman from Virginia might be one thing, but what the purpose of the bill is must appear on the bill. Here is the language of the law:

Every Federal reserve bank shall maintain reserves in gold or lawful money, not less than 35 per cent against deposits, and reserves in gold of not less than 40 per cent against its Federal reserve notes in actual circulation—

And so forth.

So the purpose of the bill is the effect of the bill, and the effect of the bill is to increase the power to issue additional Federal reserve notes by hundreds of millions of dollars.

No more disastrous proposition could be offered to the country at this time.

Mr. KORBLY. Will the gentleman yield?

Mr. MANN. Yes.

Mr. KORBLY. The gentleman knows very well that the Federal reserve banks will have credits issued by member banks of vast sums of money that may be converted into Federal reserve notes at the option of the member banks, so that there is no restriction in the law now that will prevent member banks from getting all the Federal reserve notes they may want or desire without this amendment being at all necessary to enable them to get it.

Mr. MANN. I do not agree with the gentleman at all as to how much money they may desire. Under the present law the banks can not obtain emergency currency without putting up good security. It is true you are trying to change that law so that you will not require very good security, but that change has not been made.

Mr. GLASS. Does the gentleman say that the obligations of the business men of the United States are not as good security as certain stocks and bonds?

Mr. MANN. I certainly say that commercial paper is not as good as municipal and State bonds, and certainly not as good as United States bonds.

Mr. GLASS. Why, it is infinitely better.

Mr. MANN. Well, I am willing to go to the country on that proposition at any time as to commercial paper. That is the whole basis of the gentleman's theory. That is the real defined issue and the line of cleavage here. The gentleman believes, and is trying to enact into law, that commercial paper is better security for currency issued than the solid stocks and bonds of the municipalities and States of this country.

Mr. GLASS. The gentleman knows very well that the bankers of the United States and the business men of the United States take my side of that controversy.

Mr. MANN. Oh, I have been engaged in this controversy on this side for many long years. The business men of the country are not on the side of the gentleman at all.

Mr. GLASS. The Monetary Commission was, and that was headed by Mr. Aldrich.

Mr. MANN. Well, let the gentleman go ahead. I will wait.

Mr. GLASS. I beg the gentleman's pardon.

Mr. MANN. I am not criticizing him. I am willing that the gentleman shall finish his statement.

Mr. GLASS. I do not want to do it without the cheerful permission of the gentleman.

Mr. MANN. The gentleman has my cheerful permission.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. GLASS. I was proceeding to say that so great a financier as Mr. Aldrich, as well as those associated with him on the Monetary Commission, certainly took that view of the

matter, and their scheme was approved unanimously by the American Bankers' Association, there not being one dissenting vote.

Mr. MANN. I have no doubt that the gentleman from Virginia may have been converted in favor of the Aldrich monetary scheme. There were some good things about it, but I never fully subscribed to it myself.

Mr. HENRY. Mr. Speaker, will the gentleman yield right there?

Mr. GLASS. I took the good in the Aldrich proposal and left out the bad.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MANN. Mr. Speaker, may I have five minutes more? I did not get a chance to state one sentence without interruption.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Every time some matter comes up some gentleman says, "Why, that was in the Aldrich monetary scheme." [Laughter on the Republican side.] Nobody ever adopted that feature except the Monetary Commission, and while the Monetary Commission reported favorably upon it, not one of them, so far as I know, really wanted to have the Aldrich-Vreeland bill enacted into law.

Mr. GLASS. The American Bankers' Association unanimously indorsed it.

Mr. MANN. I understand; and yet nearly every bank that I know of protested against various provisions in it to me.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. MANN. Yes.

Mr. HENRY. I do not think the gentleman from Illinois understood correctly the statement of the gentleman from Virginia. I do not believe the gentleman from Virginia meant to convey the idea that he stands squarely with Senator Aldrich on this currency question.

Mr. MANN. Well, I will not say he did. But every time a question is raised by me, the gentleman from Virginia attempts to convince me by stating that he and Senator Aldrich were together on the proposition. [Laughter on the Republican side.]

Mr. GLASS. "The gentleman from Virginia" was trying to indicate that he was not afraid to accept what was good in the bill of the Monetary Commission simply because Senator Aldrich's name was attached to it. He was willing to take the good and leave out the evil. That is precisely what happened.

Mr. MANN. Personally I would rather discuss the proposition itself than discuss the question of whether somebody was for or against it. I was discussing the section of this bill. In the first place it does give some added credit by enlarging the power of the Federal reserve bank to discount the paper of the member banks. That is true; and then, in addition to that, it gives the Federal reserve bank a large sum of pyramid reserves—gold, pyramided gold—upon which it can issue Federal reserve notes; a dangerous proposition.

Gentlemen may say, "Maybe they will not exercise it." I think that the strain is likely to come where everything that can issue currency will issue currency, and if we can not withstand the strain here in Congress it need not be expected that the banks will withstand the strain. They are not asking that they should have the right, but if they have the right, with customers coming to them and calling attention to their right, they are apt to issue this currency. If we could restrict the currency to-day and add to the credit, I believe we could add \$10 in credit for every \$2 of currency that we could restrict. Gentlemen who have other views believe that if we can add \$10 in currency we may not restrict the credit. It is impossible, Mr. Speaker, in our day to add largely to the emergency currency or anything of that nature and keep credit good.

Some gentleman awhile ago stated that the Bank of England refused to pay gold. I saw that statement in a newspaper. Then I read the statement of Mr. Paish—if that is his name—the other day, quoted in the paper, that the Bank of England had not refused to pay gold on check at any time in this trouble. One trouble with our country is that we have been afraid to pay our debts to Europe. If we would send over and pay the gold we owe to Europe we might reestablish our credit. But what the financial interests are all afraid of is that because our credit is impaired, because we have not been willing to pay our debts in gold, the Europeans holding our stocks

and bonds will be afraid to hold them and will dump them upon us.

Mr. GLASS. Does not the gentleman concede that this bill will make it easier for us to pay our debts in gold? In fact, my friend from Arkansas [Mr. Wingo] says that is the design of the bill.

Mr. MANN. I think the bill would make it easier to pay the gold over in Europe, and if that were all it would do I would be perfectly willing to vote for it. But I am not willing to pay gold to Europe and at the same time destroy the credit of the local country banks to the American people at home. [Applause.]

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The clerk will report the next committee amendment.

The Clerk read as follows:

Amend, on page 2, in line 3, by striking out the word "to" and inserting the word "may."

The amendment was agreed to.

CORRECTION OF ERRORS IN PENSION BILLS.

The SPEAKER. The other day the House passed an omnibus House joint resolution (H. J. Res. 361) correcting mistakes in some pension bills. After that the House passed House joint resolution 375, which included one item that was in the omnibus resolution. Afterwards the House passed a request to the Senate to send back House joint resolution 375, but the Senate had already passed it. The Chair thinks the best way out of it is, by unanimous consent, to direct the enrolling clerk not to enroll House joint resolution 375.

Mr. MANN. It is over here now. Would it not be well to lay it on the table?

The SPEAKER. The Chair thinks so; and, if there be no objection, House joint resolution 375 will be laid on the table.

There was no objection.

Mr. FITZGERALD. Whether it is in order or not, it is done.

COTTON AND TOBACCO.

The SPEAKER. Has any gentleman any amendment he wants to offer to this bill which we have been debating, S. 6505?

Mr. PLATT. I have an amendment.

The SPEAKER. The gentleman from New York [Mr. PLATT] has an amendment which the Clerk will report.

The Clerk read as follows:

On page 2, after the word "States," insert a new section, as follows: "Line 2 of paragraph 3 of section 16 of the Federal reserve act is hereby amended by striking out the word 'thirty-five' and inserting in lieu thereof 'fifty.'"

Mr. BULKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. How much time remains for debate?

The SPEAKER. Six minutes.

Mr. WINGO. Reserving a point of order, to what part of the bill does the gentleman offer his amendment?

Mr. BARTLETT. Line 14, page 2.

Mr. PLATT. At the end of line 14, on page 2, to insert a new section.

Mr. WINGO. You add something to it, do you?

Mr. PLATT. I add something to it—a new section increasing the reserves against deposits in Federal reserve banks. Mr. Speaker, the only serious objection in my mind to this bill allowing national banks to keep all their reserves in the Federal reserve banks is that it does not at the same time increase the required reserves of the Federal reserve banks. According to the Federal reserve act, on page 17, the Federal reserve banks are required to keep only 35 per cent reserve against deposits. Here by this bill we permit the country banks, or member banks, to keep all their reserves in the Federal reserve banks, but we do not increase the required reserve of the Federal reserve banks themselves in proportion. If we increase it from 35 per cent to 50 per cent, I can see no objection to this bill. It is a radical departure from American banking ideas, but is in accordance with European practice. The individual banks there do not keep large reserves in their own vaults, and are not generally required by law to keep any. In fact, they keep no more than just what is necessary for till money. For instance, English banks know that they can go to the Bank of England at any time, if their credit is good, and get money. They keep their reserves on deposit in the Bank of England. As I understand it, it is the expectation of the Federal Reserve Board that if this act is passed it will apply largely to the big city banks.

For instance, a bank in New York City having a great big stock of gold in its vaults and finding it a nuisance will take out that gold and send it to the Federal reserve bank, which will then have to count it and care for it, and it will not be a care

to the individual bank. Probably most of the country banks will not do it, but a good many of the city banks will, and it will give the Federal reserve system a chance to organize with a good-sized pool of gold, whereas, divided up as it is, it will have no such chance. I think that is the greatest blunder and the greatest mistake of the Federal reserve system, that it is divided up into 12 banks, for none of them can organize so as to look like more than 30 cents in such an emergency as the present. The New York City Reserve Bank will organize with only \$3,300,000 capital in the face of the fact that the National City Bank has \$25,000,000 capital and \$25,000,000 surplus. The deposits in the Federal reserve banks will be only a little over \$100,000,000, which is not enough to amount to anything in a big city, like New York. This bill is intended to permit the National City Bank, the Bank of Commerce, and other big banks to put all their gold in the Federal reserve banks, so as to make it look like a big bank, which it ought to be.

Mr. GLASS. Make it look like it would at the end of the three years provided by the Federal reserve law.

Mr. PLATT. Yes; make it look as it would at the end of three years, and make it look as it would if there were only 4 banks instead of 12.

Mr. MANN. I understand the gentleman's amendment is designed to minimize the evils of the bill.

Mr. PLATT. Yes; to increase the reserve required to be kept by the Federal reserve banks. If this amendment is adopted, I shall have no objection to the bill.

Mr. TOWNSEND. Mr. Speaker, may we have the amendment reported again?

The SPEAKER. If there be no objection, the amendment will be again reported.

The Clerk read the amendment again.

Mr. WINGO. Mr. Speaker, I move to strike out all after the enacting clause down to and including the word "vaults," in line 5, page 2. That would strike out the shifting of reserves provisions of the bill.

Mr. PLATT. There is an amendment pending.

Mr. WINGO. Mr. Speaker, in the short time that I have, of course I can not discuss some things that I would like to. Before I forget it, I want to say—

The SPEAKER. Does the Chair understand that this is an amendment to the amendment of the gentleman from New York?

Mr. WINGO. Oh, no; I am advised that that same amendment is already pending.

Mr. MANN. The gentleman has the right to offer an amendment whenever he gets the floor, under the rule.

Mr. WINGO. Mr. Speaker, I want to take advantage of this occasion to say this, and I have thought of doing it for several days: I think the man who undertakes now to question either the integrity of the credit of this country or of the United States Treasury is either unpatriotic or very ignorant of the true conditions that exist. The United States Treasury to-day is stronger than it has ever been in the history of this Government. It has more gold piled up in its vaults than it has ever had before. I deny that the people of this country or that the people of any nation have any doubt as to either the condition of the Treasury of the United States or the soundness of the credit of this country. I think that the United States will meet every obligation to the letter of that obligation. I think we will maintain our financial integrity at home and abroad; and I repeat that that man, however high his station in public life, who undertakes for political purposes, whether he be a Democrat or a Republican, to raise any doubt as to the ability of the United States Treasury to meet every demand upon it is unpatriotic and should be driven from public life.

A word now as to the fixed reserves. If you are opposed to fixed reserves, then, of course, you can vote for this bill. If you believe in fixed reserves, you will not vote for it. It is said that an honest bank does not need any fixed-reserve law. That is true. An honest official does not need to give a bond, but bonds are required of certain officers, to which the honest official does not object. The safe, careful, and legitimate banker does not need any law to make him maintain a reserve. He will maintain that reserve which experience shows him is necessary; but a reserve clause in the law is necessary to protect the depositors and the public against unwise, extravagant, and reckless bankers, and that is the reason why you have a fixed reserve requirement in the law. In conclusion I desire to say that this is the most important bill that has been considered here since we passed the currency act. The bold purpose of it is to rob the country banks of their lawful money and let them use the "chips and whetstones," so to speak, of currency to meet the demands of their depositors. If you want to have them do that, then vote for the bill.

The SPEAKER. The time of the gentleman from Arkansas has expired. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. PLATT].

The question was taken; and on a division (demanded by Mr. PLATT) there were—ayes 21, noes 58.

So the amendment was rejected.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

Mr. MANN. Mr. Speaker, I ask unanimous consent to have that amendment again reported.

The SPEAKER. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 31, noes 51.

Mr. MANN. Mr. Speaker, I ask unanimous consent that we may have tellers.

The SPEAKER. The gentleman asks unanimous consent for tellers. Is there objection?

Mr. GLASS. Mr. Speaker, I hope the gentleman will let us get through with these bills.

Mr. MANN. Of course, Mr. Speaker, there are not enough Members here to get tellers under the rule in all probability. I do not desire to make the point of no quorum, and I do not expect to make it myself at this time.

The SPEAKER. The gentleman from Illinois asks unanimous consent that tellers be appointed.

Mr. MANN. I shall not make the point of no quorum anyway.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and the Chair appoints the gentleman from Virginia [Mr. GLASS] and the gentleman from Arkansas [Mr. WINGO] to act as tellers.

The House again divided; and the tellers reported—ayes 27, noes 55.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of Senate bill 6398.

Mr. WINGO. Mr. Speaker, I desire to offer a motion to recommit.

The SPEAKER. This is not the proper time to do that. The question is on the third reading.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 63, noes 23.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, will the gentleman withhold that for a moment?

Mr. MANN. No. I can not withhold it without losing my right.

Mr. FITZGERALD. Oh, yes; the gentleman can.

Mr. MANN. No; I can not. The gentleman knows that as well as I do.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, pending the announcement of the vote—

Mr. MANN. But the vote has been announced, and I have made the point of no quorum. There is no way that I can withdraw that without having the vote stand.

Mr. FITZGERALD. I ask unanimous consent that the gentleman may withhold it.

Mr. MANN. I warned the gentleman a while ago.

The SPEAKER. If the gentleman from Illinois will give me a moment, the Chair will preserve his rights to make the point of no quorum if he will withdraw the point until the resolution which the gentleman from New York desires to have passed, which ought to be passed, is acted upon.

Mr. MANN. Then I withdraw the point of no quorum.

OCTOBER SALARIES OF HOUSE AND SENATE EMPLOYEES.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the Speaker lay before the House Senate joint resolution 200, and that we may consider it at this time, together with the amendment which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 200) authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed

to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, borne upon the annual and session rolls, their respective salaries for the month of October, 1911, on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of October.

Mr. FITZGERALD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amend by adding the following:

"Provided, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of October, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose."

Mr. HAY. Mr. Speaker, I hope the gentleman from New York will not insist upon that amendment.

Mr. FITZGERALD. Mr. Speaker, the only purpose of the amendment is to permit the pages and certain session employees to obtain a full month's pay.

Mr. HAY. I understand that. In other words, the gentleman wants to pay them for what they have not done.

Mr. FITZGERALD. Let me say to the gentleman that perhaps he was not in the House earlier, when the resolution came up and the unanimous expression of opinion was that it was the desire to do this much, and for that reason the arrangement was made to offer this amendment at this time. The page boys' appropriation is an indefinite one and provides for their payment up to the day of adjournment. The feeling was that the session employees, as they go off the roll as soon as we adjourn—

Mr. HAY. I understand exactly. The gentleman is asking to pay these people for 10 days' work which they have not performed.

Mr. FITZGERALD. It is a gratuity of seven days to the session employees.

Mr. HAY. All right; I will not make an objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the amendment was agreed to.

The Senate joint resolution as amended was ordered to be read a third time, was read the third time, and passed.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the joint resolution of the following title:

S. J. Res. 200. Joint resolution authorizing the payment of October salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nipper-sink Lake at or near their point of intersection;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 10168. An act for the relief of Leon Greenbaum;

H. R. 4405. An act for the relief of Frederick J. Ernst;

H. R. 1055. An act for the relief of T. S. Williams;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915;

H. J. Res. 361. Joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 14377. An act to amend section 4472 of the Revised Statutes; and

H. R. 18891. An act to increase the internal revenue, and for other purposes.

COTTON AND TOBACCO.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of no quorum.

Mr. MANN. I make the point of no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty-one Members are present, not a quorum.

Mr. GLASS. Mr. Speaker, I move a call of the House.

Mr. MANN. It is an automatic call.

The SPEAKER. There is not a quorum present; the Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and—

Mr. BULKLEY. I understand the question is on the third reading of the bill.

The SPEAKER. The question is on the third reading of the bill.

The question was taken, and there were—yeas 163, nays 49, answered "present" 3, not voting 214, as follows:

YEAS—163.

Abercrombie	Dershem	Hull	Rouse
Adamson	Dickinson	Humphreys, Miss.	Rubey
Aiken	Difenderfer	Jacoway	Rucker
Alexander	Dixon	Johnson, Ky.	Rupley
Asbbrook	Donovan	Johnson, S. C.	Saunders
Aswell	Dooning	Kennedy, Conn.	Sherley
Barkley	Doremus	Key, Ohio	Shirwood
Earnhart	Dupré	Kinkead, N. J.	Sims
Bartlett	Eagan	Kirkpatrick	Slayden
Barton	Eagle	Kitchin	Small
Beakes	Edwards	Korbly	Smith, Idaho
Bell, Ga.	Evans	Lazaro	Smith, Md.
Blackmon	Finley	Lee, Ga.	Smith, Tex.
Booher	Fitzgerald	Leshner	Sparkman
Borchers	Flood, Va.	Lever	Stanley
Borland	Floyd, Ark.	Lieb	Stedman
Brodbeck	Gard	Lloyd	Stephens, Miss.
Broussard	Garrett, Tenn.	Lobeck	Stephens, Tex.
Bruckner	Garrett, Tex.	McKellar	Stone
Brumbaugh	George	Maguire, Nebr.	Stout
Buchanan, Tex.	Gill	Montague	Taylor, Ark.
Bulkley	Gilmore	Moon	Taylor, Colo.
Burgess	Glass	Morgan, La.	Taylor, N. Y.
Burnett	Godwin, N. C.	Morgan, Okla.	Thompson, Okla.
Byrnes, S. C.	Goeke	Morrison	Townsend
Byrns, Tenn.	Goodwin, Ark.	Murray	Tribble
Candler, Miss.	Goulden	O'Brien	Tuttle
Cantrill	Gray	Oldfield	Underhill
Caraway	Hamill	Padgett	Underwood
Carew	Hamlin	Page, N. C.	Vaughan
Carlin	Hardwick	Park	Walker
Clark, Fla.	Hardy	Post	Watson
Claypool	Hay	Pou	Webb
Cline	Hayden	Quin	Whaley
Coady	Hedlin	Rainey	Whitacre
Collier	Helm	Raker	White
Crisp	Hensley	Rauch	Wilson, Fla.
Cullop	Holland	Rayburn	Woods
Dale	Houston	Reilly, Conn.	Young, Tex.
Davis	Howard	Riordan	The Speaker
Dent	Hughes, Ga.	Rothermel	

NAYS—49.

Bailey	Hamilton, N. Y.	La Follette	Sinnott
Barbfield	Haugen	Langham	Smith, Saml. W.
Butler	Hawley	Mann	Stafford
Cooper	Henry	Mapes	Steenerson
Curry	Hinds	Miller	Tavener
Danforth	Humphrey, Wash.	Moore	Thomson, Ill.
Dillon	Johnson, Utah	Morin	Vare
Dunn	Keating	Parker	Wallin
Edmonds	Kennedy, Iowa	Patton, Pa.	Wingo
Esch	Kless, Pa.	Payne	Witherspoon
Fairchild	Kindel	Plumley	
Falconer	Kinkaid, Nebr.	Prouty	
Farr	Kreider	Scott	

ANSWERED "PRESENT"—3.

Foster	McGillicuddy	Platt
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NOT VOTING—214.

Adair	Estopinal	Kelly, Pa.	Phelan
Alney	Faison	Kennedy, R. I.	Porter
Allen	Ferguson	Kent	Powers
Anderson	Ferris	Kettner	Ragsdale
Ansberry	Fess	Knowland, J. R.	Reed
Anthony	Fields	Konop	Reilly, Wis.
Austin	FitzHenry	Lafferty	Roberts, Mass.
Avis	Fordney	Langley	Roberts, Nev.
Baker	Fowler	Lee, Pa.	Rogers
Baltz	Francis	L'Engle	Russell
Bartholdt	Frear	Lenroot	Sabath
Bathrick	French	Levy	Scully
Beall, Tex.	Gallagher	Lewis, Md.	Seldomridge
Bell, Cal.	Gallivan	Lewis, Pa.	Sells
Bowdle	Gardner	Lindbergh	Shackelford
Britten	Garner	Lindquist	Shreve
Brockson	Gerry	Linthicum	Sisson
Brown, N. Y.	Gillett	Loft	Slemp
Brown, W. Va.	Gittins	Logue	Sloan
Browne, Wis.	Goldfogle	Loneragan	Smith, J. M. C.
Browning	Good	McAndrews	Smith, Minn.
Bryan	Gordon	McClellan	Smith, N. Y.
Buchanan, Ill.	Gorman	McGuire, Okla.	Stephens, Cal.
Burke, Pa.	Graham, Ill.	McKenzie	Stephens, Nebr.
Burke, S. Dak.	Graham, Pa.	McLaughlin	Stevens, Minn.
Burke, Wis.	Green, Iowa	MacDonald	Stevens, N. H.
Calder	Greene, Mass.	Madden	Stringer
Callaway	Greene, Vt.	Mahan	Summers
Campbell	Gregg	Maher	Sutherland
Cantor	Griest	Manahan	Switzer
Carr	Griffin	Martin	Taggart
Carter	Gudger	Merritt	Talbott, Md.
Cary	Guernsey	Metz	Talcott, N. Y.
Casey	Hamilton, Mich.	Mitchell	Taylor, Ala.
Chandler, N. Y.	Hammond	Mondell	Temple
Church	Harris	Moss, Ind.	Ten Eyck
Ciancy	Harrison	Moss, W. Va.	Thacher
Connelly, Kans.	Hart	Mott	Thomas
Connolly, Iowa	Hayes	Mulkey	Towner
Conry	Helgesen	Murdock	Treadway
Copley	Helvering	Neeley, Kans.	Vollmer
Cox	Hill	Neely, W. Va.	Volstead
Cramton	Hinebaugh	Nelson	Walsh
Crosser	Hobson	Nolan, J. I.	Walters
Davenport	Howell	Norton	Watkins
Decker	Hoxworth	Oglesby	Weaver
Detrick	Hughes, W. Va.	O'Hair	Williams
Dies	Hulings	O'Leary	Willis
Donohoe	Igoe	O'Shaunessy	Wilson, N. Y.
Doollittle	Johnson, Wash.	Paige, Mass.	Winslow
Doughton	Jones	Palmer	Woodruff
Driscoll	Kahn	Patten, N. Y.	Young, N. Dak.
Drukker	Keister	Peters	
Elder	Kelley, Mich.	Peterson	

So the third reading was ordered.

The SPEAKER. The Clerk will note the presence of Mr. PLATT, of New York. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he voted "aye." [Applause.]

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will unlock the doors.

Mr. WINGO. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. The Clerk will report it.

Mr. BULKLEY. Mr. Speaker, has the bill been read a third time?

The SPEAKER. No. The Clerk will read the bill a third time.

The bill was read a third time.

During the reading of the bill.

Mr. MANN. Mr. Speaker, I ask for the reading of the bill in full.

The SPEAKER. The Clerk will read the bill.

The bill, S. 6398, was read in full.

Mr. WINGO. Mr. Speaker, I now offer the motion to recommit.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Wingo moves to recommit the bill S. 6398 to the Committee on Banking and Currency, with instructions to report the same back to the House with the following amendment:

Mr. WINGO. Mr. Speaker, I am willing to dispense with the reading of it, so as to save time, if the House wishes. The bill covered by my motion is the bill that a conference of the Members of Congress from the South agreed on, with only four dissenting votes.

Mr. HAY. Mr. Speaker, I reserve a point of order.

Mr. WINGO. I will state what it is.

Mr. MANN. I think it should be read.

The SPEAKER. The Clerk will read. The gentleman from Virginia [Mr. HAY] reserves the point of order.

The Clerk read as follows:

Mr. Wingo moves to recommit S. 6398 to the Committee on Banking and Currency with instructions to report the same back to the House immediately with the following amendment:

"Sec. 3. That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, \$250,000,000, or so much thereof as may be necessary to carry out the purposes of this act, and under the terms and conditions herein prescribed, to be loaned by said banks to the producers of cotton or tobacco, or owners of lands upon which the same was produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum, upon notes having a maturity not exceeding 12 months, and legally and properly secured by such cotton or tobacco. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in proportion to the value of cotton and tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

"Sec. 4. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

"Sec. 5. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding \$240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate \$250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

"Sec. 6. That this act shall take effect and be in force from and after its passage.

"Sec. 7. That the provisions of sections 3, 4, and 5 of this act shall expire by limitation on the 31st day of December, 1915."

Mr. HAY. Mr. Speaker, I make the point of order. I observe it is the same amendment which the gentleman from Oklahoma offered and which was agreed upon by the southern Representatives.

Mr. BARTLETT. Not all of them.

Mr. HAY. Well, some of them. And the Speaker ruled it out of order. I now make the point of order.

The SPEAKER. The point of order is sustained.

Mr. HENRY. Mr. Speaker, I move to recommit the bill with instructions.

Mr. HAY. Mr. Speaker, I make the point of order. The gentleman can only make one motion to recommit.

The SPEAKER. The Clerk will report the motion of the gentleman from Texas.

The Clerk read as follows:

Mr. HENRY moved to recommit the bill S. 6398 to the Committee on Banking and Currency, with instructions to report the same with the following amendments, to wit:

"Sec. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of \$250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"Sec. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000, to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding \$240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate \$250,000,000.

"Sec. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"Sec. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general

funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

Mr. HAY. Mr. Speaker, I make the point of order.

Mr. BULKLEY. I make the point of order, Mr. Speaker, that that is not germane to the bill.

The SPEAKER. The Chair will hear the gentleman.

Mr. BULKLEY. When the Rules Committee reported the rule under which we have been operating they made this proposition in order to be considered, notwithstanding the fact that it would not be germane to the bill. Now, the rule provided it should be considered as an amendment to the bill. It has been considered as an amendment and has been rejected. Now, I submit the bill is made up and this is not germane to the bill as read on the third reading.

Mr. HENRY. Mr. Speaker, I do not think it is necessary to say anything. The rule made the amendment germane, and it is still germane under the motion to recommit, according to the universal practice of the House.

Mr. MANN. Mr. Speaker, representing, as I do at present, the minority, I wish to protect the rights of the minority. When I get on the other side I may not be so anxious.

Mr. HENRY. It will be a good while before you are on the other side, though.

Mr. MANN. This is an order which made an amendment germane to the bill. The House had the right to adopt the report of the Committee on Rules by making in order an amendment to the bill, although it would not have been otherwise in order as germane. Anything that is in order on the bill is in order on the motion to recommit.

The SPEAKER. The Chair is ready to rule. This amendment would have been out of order if it had not been for the special rule, but when the special rule made it in order, notwithstanding the rules of the House and practices, as an amendment it is in order as a motion to recommit. So the point of order is overruled, and the question is on the motion to recommit.

Mr. MANN. The previous question was not made on that order to recommit.

The SPEAKER. Does the gentleman make the motion?

Mr. HENRY. I am still recognized?

The SPEAKER. The gentleman will proceed.

Mr. HENRY. I move the previous question.

Mr. BULKLEY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. Is the previous question ordered under the rule?

The SPEAKER. Not on the motion to recommit. That is a kind of separate performance. The question is on the previous question on this motion to recommit.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. I ask for a division, Mr. Speaker.

The House divided; and there were—ayes 113, noes 24.

Mr. MOORE. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Pennsylvania [Mr. MOORE] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of ordering the previous question on the motion to recommit will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 160, nays 45, answered "present" 2, not voting 221, as follows:

YEAS—160.

Abercrombie	Byrns, Tenn.	Flood, Va.	Holland
Adamson	Candler, Miss.	Floyd, Ark.	Houston
Alken	Cantrill	Gard	Howard
Alexander	Caraway	Garrett, Tenn.	Hughes, Ga.
Ashbrook	Carw	Garrett, Tex.	Hull
Aswell	Carlin	George	Humphreys, Miss.
Bailley	Coady	Gill	Jacoway
Barkley	Collier	Gillmore	Johnson, Ky.
Barnhart	Crisp	Glass	Johnson, S. C.
Bartlett	Cullop	Godwin, N. C.	Keating
Beakes	Dale	Goeke	Kennedy, Conn.
Bell, Ga.	Dent	Goodwin, Ark.	Key, Ohio
Blackmon	Dershem	Goulden	Kinkaid, N. J.
Boehrer	Diffenderfer	Gray	Kirkpatrick
Borchers	Dixon	Hamill	Kitchin
Borland	Donovan	Hamlin	Korbly
Brodbek	Dooling	Hardwick	Lazaro
Broussard	Doremus	Hardy	Lee, Ga.
Bruckner	Dupré	Hay	Leshner
Brumbaugh	Eagan	Hayden	Lever
Buchanan, Tex.	Eagle	Heflin	Lieb
Bulkley	Edwards	Helm	Lloyd
Burgess	Evans	Helvering	Lobeck
Burnett	Finley	Henry	McGillicuddy
Byrnes, S. C.	Fitzgerald	Hensley	McKellar

Maguire, Nebr.
Montague
Moon
Morgan, La.
Morrison
Murray
O'Brien
Oldfield
Padgett
Page, N. C.
Park
Post
Pou
Quin
Rainey

Raker
Rauch
Rayburn
Reilly, Conn.
Riordan
Rothermel
Rouse
Rubey
Rupley
Saunders
Sherley
Sherwood
Sims
Sisson
Slayden

Small
Smith, Md.
Smith, Tex.
Sparkman
Stanley
Stedman
Stephens, Miss.
Stephens, Tex.
Stone
Stovt
Tavener
Taylor, Ark.
Taylor, Colo.
Taylor, N. Y.
Thompson, Okla.

Townsend
Tribble
Tuttle
Underhill
Underwood
Vaughan
Walker
Watson
Webb
Whaley
White
Wilson, Fla.
Wingo
Witherspoon
Young, Tex.

YAYS—45.

Barchfeld
Barton
Butler
Cooper
Curry
Danforth
Davis
Dunn
Edmonds
Esch
Fairchild
Falconer

Farr
Gardner
Hamilton, N. Y.
Hawley
Humphrey, Wash.
Johnson, Utah
Kennedy, Iowa
Kindel
Kinkaid, Nebr.
Kreider
La Follette
Langham

Mann
Mapes
Miller
Moore
Morgan, Okla.
Morin
Mott
Nelson
Parker
Patton, Pa.
Payne
Platt

Pronty
Sinnott
Smith Idaho
Stafford
Steenerson
Thomson, Ill.
Vare
Wallin
Woods

ANSWERED "PRESENT"—2. Clark, Fla. Foster

NOT VOTING—221.

Adair
Alney
Allen
Anderson
Ansberry
Anthony
Austin
Avis
Baker
Baltz
Bartholdt
Bathrick
Beall, Tex.
Bell, Cal.
Bowdie
Brittan
Brockson
Brown, N. Y.
Brown, W. Va.
Browne, Wis.
Browning
Bryan
Buchanan, Ill.
Burke, Pa.
Burke, S. Dak.
Burke, Wis.
Calder
Callaway
Campbell
Cantor
Carr
Carter
Cary
Casey
Chandler, N. Y.
Church
Clancy
Claypool
Cline
Connelly, Kans.
Connolly, Iowa
Conry
Copley
Cox
Cramton
Cresser
Davenport
Decker
Deitrick
Dickinson
Dies
Dillon
Donohoe
Doolittle
Doughton
Driscoll

Drukker
Elder
Estopinal
Faison
Fergusson
Ferris
Fields
FitzHenry
Fordney
Fowler
Francis
Frear
French
Gallagher
Gallivan
Garner
Gerry
Gillett
Gittins
Goldfogle
Good
Gordon
Gorman
Graham, Ill.
Graham, Pa.
Green, Iowa
Greene, Mass.
Greene, Vt.
Gregg
Griest
Griffin
Gudger
Guernsey
Hamilton, Mich.
Hammond
Harris
Harrison
Hart
Haugen
Hayes
Helgesen
Hill
Hinds
Hinebaugh
Hobson
Howell
Hoxworth
Hughes, W. Va.
Hullings
Izoe
Johnson, Wash.
Jones
Kahn
Keister
Kelley, Mich.

Kelly, Pa.
Kennedy, R. I.
Kent
Kettner
Kless, Pa.
Knowland, J. R.
Konop
Lafferty
Langley
Lee, Pa.
L'Engle
Lenroot
Levy
Lewis, Md.
Lewis, Pa.
Lindbergh
Lindquist
Linthicum
Loft
Logue
Lonergan
McAndrews
McClellan
McGuire, Okla.
McKenzie
McLaughlin
MacDonald
Madden
Mahaa
Maher
Manahan
Martin
Merritt
Metz
Mitchell
Mondell
Moss, Ind.
Moss, W. Va.
Mulkey
Murdock
Neely, Kans.
Neely, W. Va.
Nolan, J. I.
Norton
Oglesby
O'Hair
O'Leary
O'Shaunessy
Paige, Mass.
Palmer
Patten, N. Y.
Peters
Peterson
Phelan
Plumley
Porter

Powers
Ragsdale
Reed
Reilly, Wis.
Roberts, Mass.
Roberts, Nev.
Rogers
Rucker
Russell
Sabath
Scott
Scully
Seldomridge
Sells
Shackleford
Shreve
Slomp
Sloan
Smith, J. M. C.
Smith, Minn.
Smith, N. Y.
Smith, Saml. W.
Stephens, Cal.
Stephens, Nebr.
Stevens, Minn.
Stevens, N. H.
Stringer
Sutherland
Switzer
Taggart
Talbott, Md.
Talcott, N. Y.
Taylor, Ala.
Temple
Ten Eyck
Thacher
Thomas
Towner
Treadway
Volmer
Volstead
Walsh
Walters
Watkins
Weaver
Whitacre
Williams
Willis
Wilson, N. Y.
Winslow
Woodruff
Young, N. Dak.

No quorum voting.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, if the House will allow me to make a brief statement without making the point that I am speaking when there is not a quorum present, I desire to say that the President has signed the revenue bill, but the hour of 6 o'clock has passed. The Senate has failed to pass the resolution for final adjournment. It is necessary to secure a quorum to pass a new final adjournment resolution. I have just come from the Senate, and from the situation there I do not think anything can be accomplished by remaining in session longer to-night, and it seems to me there is nothing for the House to do except to adjourn until 12 o'clock noon to-morrow. Therefore, Mr. Speaker, I move that the House adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House adjourned until Friday, October 23, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FALCONER: A bill (H. R. 19394) authorizing the Secretary of Agriculture to take over, under conditions to be agreed upon by the proper officers, a certain highway through Stevens Pass, known as Cascade Highway, in the State of Washington; to the Committee on Agriculture.

By Mr. AUSTIN: A bill (H. R. 19395) to establish a fish hatchery and biological station on the Little Tennessee River, in the State of Tennessee; to the Committee on the Merchant Marine and Fisheries.

By Mr. STAFFORD: A bill (H. R. 19396) to amend the Revised Statutes of the United States exempting public vessels owned by any State or any municipality of a State from inspection of the Steamboat-Inspection Service of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. HAYDEN: A bill (H. R. 19397) making an appropriation for the destruction of predatory wild animals; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSBERRY: A bill (H. R. 19398) granting an increase of pension to Daniel McManawa; to the Committee on Invalid Pensions.

By Mr. AUSTIN: A bill (H. R. 19399) for the relief of Frank H. Walker and Frank E. Smith a part of whose real property was taken and is now occupied by the United States for the foundation of the west wall of the Government Printing Office, in the city of Washington, and the remainder not taken damaged by reason of the construction and operation of said printing office; to the Committee on Claims.

By Mr. BRUMBAUGH: A bill (H. R. 19400) granting a pension to Henry Blankenship; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 19401) granting a pension to Sarah A. Hammond; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19402) granting an increase of pension to John Lehr; to the Committee on Invalid Pensions. Also, a bill (H. R. 19403) granting an increase of pension to Jane A. Dickinson; to the Committee on Invalid Pensions.

By Mr. FALCONER: A bill (H. R. 19404) granting a pension to Timothy O'Neill; to the Committee on Invalid Pensions.

By Mr. FITZHENRY: A bill (H. R. 19405) for the relief of Margaret G. Augustine; to the Committee on War Claims.

By Mr. GARRETT of Tennessee: A bill (H. R. 19406) granting an increase of pension to Pinkney Carter; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 19407) for the relief of William M. Newell; to the Committee on Claims.

By Mr. HOUSTON: A bill (H. R. 19408) granting an increase of pension to Henry J. Bess; to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 19409) for the relief of Simon J. Lonergan; to the Committee on Naval Affairs.

By Mr. LEE of Georgia: A bill (H. R. 19410) for the relief of the legal representatives of the estate of Benjamin Hamilton, deceased; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Memorial of McLaughlin Post, Grand Army of the Republic, of Mansfield, Ohio, favoring the passage of the Hamill pension bill; to the Committee on Reform in the Civil Service.

By Mr. BAILEY: Petitions of J. E. Hartley, M. T. Mulholland, M. L. Hamilton, H. H. Myers, Thomas C. Marks, J. M. Jackson, A. W. Britten, Joseph Gregg, W. O. Hamilton, J. B. McManing, H. M. Gregg, Charles Shafer, A. Whittaker, G. H. Zimmerman, W. H. Beers, Frank Rice, R. H. Trowell, Lanston Keith, Ambrose Hamilton, John McCall, Thomas Lake, James Lake, Leroy Davis, Isaac Kough, Arthur L. Rutlin, J. W. Chambers, Samuel McCall, Thomas H. Mills, George Ammerman, G. T. Gray, Samuel Trovelli, C. J. Mulholland, J. C. Lovell, and A. Barnhart, all of Fallen Timber, in the State of Pennsylvania, favoring national prohibition; to the Committee on Rules.

By Mr. BELL of California: Memorial of Friday Morning Club of Los Angeles, Cal., favoring peaceful settlement of international disputes; to the Committee on Foreign Affairs.

Also, memorial of West Side Dunbar Literary Society, favoring passage of the Hamill pension bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. BOOHER: Petition of Ruth Phelps and 20 other citizens of Atchison County, Mo., favoring national prohibition; to the Committee on Rules.

By Mr. BORCHERS: Petitions of Methodist Episcopal Church and Sunday School of Cowden, First Methodist Episcopal Sunday School of Mattoon, and Baptist Young People's Union of Urbana, all in the State of Illinois, favoring national prohibition; to the Committee on Rules.

Also, petition of the business men of the nineteenth Illinois congressional district, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. FINLEY: Petitions of W. A. McAfee, Yorkville; C. S. Putnam, Clover; and W. B. Audrey, Fort Mill, all in the State of South Carolina, against tax on medicines; to the Committee on Ways and Means.

By Mr. WEBB: Petition of sundry citizens of the State of Connecticut, favoring passage of national prohibition bill; to the Committee on Rules.

SENATE.

FRIDAY, October 23, 1914.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we look to Thee for Thy blessing upon our land and country. Thou hast given to us freedom from war; Thou hast blessed us with plentiful harvests; Thou hast led us into the pursuit of arts of peace; Thou hast enabled us to weld together as one great heart the citizens of this land, gathered from every nation, standing in this great brotherhood under our common flag. We bless Thee for all these tokens of Thy love and expressions of Thy leadership. We pray that we may be true to all the high ideals of our national life. For Christ's sake. Amen.

THE JOURNAL.

The Secretary read the Journal of yesterday's proceedings.

The PRESIDENT pro tempore. Unless there is objection, the Journal will stand approved.

Mr. JONES. Mr. President, before that announcement is made I desire to suggest that the Journal does not state correctly the proceedings of yesterday, especially with reference to the announcement of the signature of the tax bill by the President pro tempore. According to the Journal as read, after the bill was received it was presented to the President of the Senate and signed, and then it states that the point of no quorum was made by the Senator from Georgia [Mr. SMITH]. The RECORD shows—and it is the actual fact—that immediately upon the announcement by the Clerk of the House of the bill signed by the Speaker the Senator from Georgia made the point of no quorum, and that the Chair made the statement which appears on page 16939 of the RECORD. After the message from the House, the RECORD reads:

Mr. SMITH of Georgia. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The matter will be attended to when the Chair signs the enrolled bill from the House of Representatives.

Mr. SMITH of Georgia. Mr. President, I do not think that the bill can be signed until the question of a quorum is settled.

The PRESIDENT pro tempore. The Chair announces his signature to an enrolled bill, the title of which the Secretary will state.

Then the Secretary stated it, and the President pro tempore announced that the Senator from Georgia suggested the absence of a quorum. That extract from the RECORD is an actual statement of what occurred. The Journal should show it, and I shall object to the approval of the Journal unless it is corrected in that way.

The PRESIDENT pro tempore. The Senator is aware of something that has occurred and has simply overlooked certain other things that occurred. In the first place, the bill was in the possession of the presiding officer before the Senator from Georgia made any statement that was brought to the attention of the Chair.

It is text law in our proceedings that a Senator must be recognized before he can make a point of no quorum, and the Chair did not recognize the Senator from Georgia for that purpose pending the signing of the bill, and that was deliberately done. Merely upon an intention formed in a Senator's mind to make the point of no quorum does not depend the activity of every officer and every other Senator, particularly when it is made for filibustering purposes. The Chair takes notice of what is going on in the Senate, and administer in a spirit and with

a sense of justice the rules of the Senate, so as to promote business and not retard it. The rights of a Senator are not to be ignored, regardless of what his purpose is, but it is a matter of discretion, and the Chair must take notice of what is going on and administer the rules accordingly. The present occupant of the chair did that yesterday.

The Senator from Washington is mistaken if he assumes that the bill was not in the possession of the Chair for the purpose of being signed before the Senator from Georgia made any statement.

The first statement the Senator from Georgia made which came to the ears of the presiding officer was in the nature of an inquiry as to whether or not a quorum of the Senate was required before the bill could be signed, and that is wholly immaterial. The precedents of the Senate establish the fact that it is not necessary that a quorum should be present when a bill is signed. The Chair calls the attention of the Senator from Washington to what took place in the Senate on the 3d of March, 1839, which has stood as a rule of the Senate ever since. It will be found on page 406 of Gilfry's Precedents, and is as follows:

(Twenty-fifth Congress, third session.)

MARCH 3, 1839.

Joint resolution for distribution in part of the Madison papers being presented for signature of the President of the Senate (W. R. King, of Alabama), it being past midnight on 3d of March, 1839, and no quorum present, the President first ruled he could not sign the resolution when a quorum was not present, and so stated to the Senate. (See Congressional Globe, p. 232.)

On further consideration and consulting the rules the President pro tempore said he was of opinion that it did not require a quorum to be present to authorize the signing of a bill or joint resolution. It was not properly an act of legislation, but merely a signing to be done by the Chair to authenticate the act. Holding this opinion, the Chair signed the resolution. (See Congressional Globe, p. 233.)

So it is not at all necessary that there should be a quorum present.

Mr. JONES. The only point I was making was that I wanted the Journal to show the actual occurrence. As to what the effect of it may be hereafter I have nothing to say.

The PRESIDENT pro tempore. The Journal will be read in connection with what appears in the CONGRESSIONAL RECORD, and there will be no difficulty in understanding what was done, particularly when taken in connection with what took place between the Senator from Georgia and the presiding officer.

The Chair will submit to the Senate any modification of the rules or any change of the Journal the Senator from Washington may care to suggest.

Mr. JONES. I simply want to interpose my objection to the approval of the Journal as read.

Mr. FLETCHER. I think it is perfectly clear that when the presiding officer is in the act of performing such a duty as the signing of a bill he need not discontinue that act and stop to recognize a Senator who is about to make a motion or for any other purpose.

Mr. JONES. As a matter of fact the Senator from Georgia, immediately upon the announcement by the Clerk of the House, addressed the Chair and suggested the absence of a quorum.

The PRESIDENT pro tempore. The Chair did not hear that part of it.

Mr. JONES. Of course the Chair did not recognize him. I admit that.

The PRESIDENT pro tempore. The Chair did not hear that. The first remark made by the Senator from Georgia which came to the attention of the Chair was in the nature of an inquiry as to whether a quorum was required. The Chair made no reply to that.

Mr. JONES. The RECORD does not show that.

The PRESIDENT pro tempore. Unless there is a proposition to amend the Journal, the question is, Shall the Journal be approved?

Mr. McCUMBER. Mr. President, I wish to make a parliamentary inquiry.

The PRESIDENT pro tempore. Does the Senator from Washington yield?

Mr. JONES. In just a moment. I have entered my objection to the approval of the Journal, and therefore the question of its approval, I take it, will have to be submitted to the Senate for a vote as to whether it shall be approved or not.

The PRESIDENT pro tempore. That can be done, of course.

Mr. McCUMBER. The question I wished to ask was whether the signature is anything more than a mere ministerial act, and if it is necessary under any rule that the act be even done in open Senate—

The PRESIDENT pro tempore. The Chair is not aware that it is.